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The UIS Director Comments

ONLY 10 years ago, a magazine issue such as this one, featuring the use of electronic data processing in unemployment insurance, would have been an academic exercise. We were just approaching the first computer installation in a State employment security agency and, while some recognized the significant possibilities of EDP for UI operations, the full extent of its potential could hardly be perceived. Also, the cost and complexity of available equipment seemed to preclude its use except for the largest State agencies.

As the articles following make clear, the use of EDP in unemployment insurance is no longer theoretical. Instead of one State employment security agency with 1 computer, 27 State agencies now have 39 computers ranging in size and complexity from small card systems to multiprocessing units. Many of these installations are well past "first experience" steps and represent replacements or expansions of original installations. It is reasonable to expect that within a few years all but the smallest State agencies will be using EDP equipment.

Thus, we are at a stage where discussion of the actual and potential use of EDP equipment is neither abstract nor speculative. Although we have had some practical experience, the past 10 years have taught us that since rapid change and increasing versatility are the hallmarks of data processing, our planning must be built on but not limited by that experience. The safest guide may well be: Decide what results you want to achieve and don't hesitate to be visionary. Then seek the equipment capacity to attain those results.

But what results should we be trying to obtain from our EDP systems? When we first started using EDP the tendency was simply to try to do more of what we had been doing and to do it faster and for less money. These objectives have not disappeared. Obviously, given the workload changes we must deal with and the budget considerations we must take into account, they represent benefits that will still be pursued.

In the long run, however, they may be far less important than other objectives more directly keyed to the nature and purpose of the UI program. For example, paying benefits to an eligible claimant as soon as possible after he completes a compensable week of unemployment is the very essence of the unemployment insurance concept. Like justice, benefits delayed are benefits denied. Our present system, which often results in a first benefit payment only after 3 or more weeks of unemployment, falls short of the ultimate goal for prompt payment. Electronic data processing and data transmission can bring us much closer to truly prompt benefit payments.

Benefit overpayments due to agency errors far exceed the volume and extent of overpayments due to fraud. The nature of many of the errors, such as payment for disqualified weeks and for weeks beyond duration entitlement, indicates that appropriate use of EDP can cut their number sharply.

Each year, as legislatures meet, questions arise about the effects of the UI program, the characteristics of insured workers and claimants, the results of suggested changes in the UI program, and other matters. Many requests can be anticipated, or if not expected can be answered adequately and reasonably soon by assembling and analyzing the necessary data. Answers to many questions, however, now require special studies entailing protracted time periods. This is because the needed data, not having been planned for, must be obtained and assembled—usually for long periods of months or years—before they can be analyzed. In most cases, had basic wage and claims information been stockpiled on a sample basis, answers could have been given readily. Until now, retention of such long-term information in a form that would permit a variety of cross-tabulation and analyses has presented substantial difficulties. EDP has made the stockpiling of basic data on workers and claimants a feasible solution to our growing need for UI program research.

An interesting end-result may emerge. EDP, an automatized and impersonal technique, can help us in getting to know the people we serve as full-dimensioned persons, not as pieces of paper or statistics. This may result not merely from the research data that our computers process, but also from the changes that can be made in the way we deal with claimants. EDP offers a prospect of relieving local office claims personnel of most of the mechanical and clerical chores that are now part of their work. When this happens, we can stop "processing" claimants and concentrate on interviewing them as flesh and blood people.

Data Processing Operations in UI

The use of electronic computers and peripheral equipment in unemployment insurance operations and research activity is featured in this issue of the REVIEW.

Uses of EDP in UI Operations

*Minor R. Miller**

THE USE of electronic data processing (EDP) has had a major impact on the administration of the Federal-State employment security system, and on the unemployment insurance program in particular. EDP has affected not only unemployment benefit payment and employer accounting functions, but also the techniques of management and research.

The processing potentials and lower costs of computers now available make their use possible and practical for almost all State agencies. Calculations made on a manually operated desk machine which took thousands of hours can now be performed by computers in a few seconds. In 1956, one State agency had a computer, and by the end of fiscal year 1965 at least 26 other State agencies will have equipment ranging from relatively small card computer systems to multiprocessing units. By the end of fiscal year 1969, at least 45 of the 52 agencies will have computer installations. Meantime, many State agencies have replaced or expanded their original installations to obtain greater processing capacities. Within the next 4 to 5 years, several States (possibly six) will be using advanced "on line" [1] data communications equipment for processing benefit payments and other functions.

It is now possible to improve unemployment insurance operations by using EDP transmission equipment to process claims and issue benefit checks directly in the local offices within a few minutes; to develop effective controls for auditing purposes and for management control and evaluation; and to increase the processing capabilities of EDP equipment through use of peripheral machines. These and other aspects of the use of EDP equipment are discussed in this article and in those which follow.

Data Transmission and Claims Processing

The Bureau, in its efforts to improve the quality of the claims interview and to reduce errors in benefit payment processing, is encouraging the method of using "on-line" automatic data transmission and data processing equipment.

Data transmission is the relay of information from a distant point to a central computer where the data are processed and retransmitted to the point of origin. The major components of the system consist of terminal units capable of sending and receiving information, a central processing unit, and the interconnecting communications lines.

The distant keying-in of information can be accomplished by various methods. Fixed information data can be entered into the system via punch cards, edged punch cards, and punched mylar or paper tape. Information which may vary in content from one transmission to another, such as earnings, may be entered via a terminal unit keyboard. The information can be transmitted from the terminal unit to the central computer over communication lines. The type of line used may vary from State to State depending on geography, the location of local offices, workloads,

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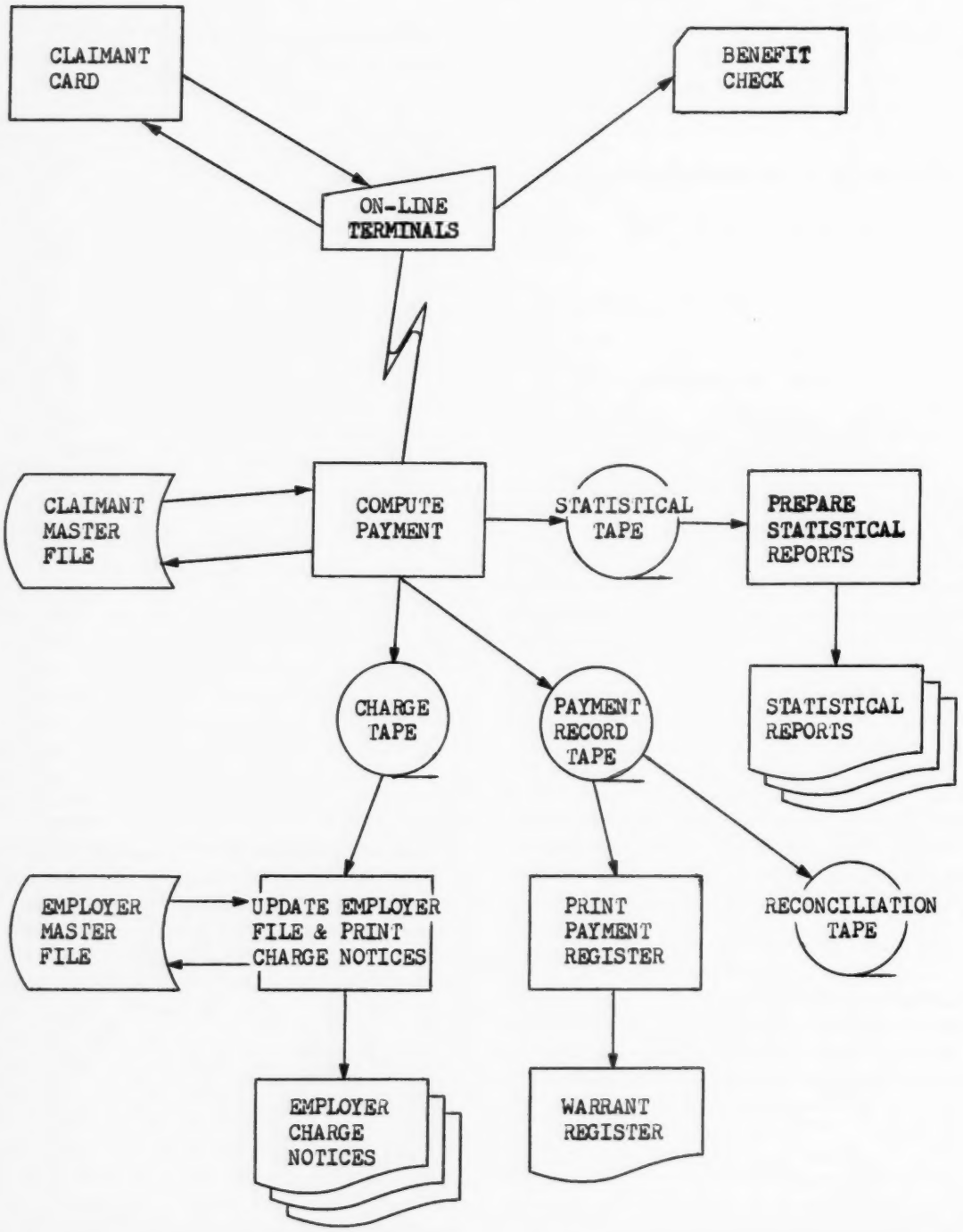
[1] "On line" is a term which describes the operation of peripheral equipment under the control of the central processor in the computer, as contrasted with "off line" equipment which operates independently of the central process control.

"ON-LINE" BENEFIT PAYMENT PROCESSING



present communication lines available, and other factors. The data may be transmitted over ordinary voice-grade telephone lines for small or remote offices.

Processing Continued Claims

The application of a data transmission system to the processing of benefit claims represents a more efficient and better controlled method for the payment of continued claims than the methods now being used generally for this operation. Terminal units can be located in local offices throughout the State, for the instantaneous processing of benefit payments. Multiple units can be located in an office when the volume warrants. As noted above, these units are in direct communication with the computer located at the central office.

The proposed procedure provides for a claimant to appear at his normally scheduled time to receive a benefit check. He will present his claimant passbook containing identification information and his benefit payment history, and his eligibility for a benefit payment will be determined by the claimstaker. Part of the claimant passbook may be an edged punch card, punched paper tape strip, or other machine-readable document which will be placed in the terminal unit by an operator. The fixed information contained on the readable document (and when appropriate any keyed-in earnings or other information) is transmitted through the terminal unit to the central office computer for processing. The central computer will act upon the information supplied and review the claimant's stored master record for eligibility.

After determining eligibility, the computer will calculate the benefit amount, taking into consideration any keyed-in earnings, and update the master file accordingly. A benefit check will be printed out and the claimant's passbook updated on the terminal unit at the local office from the information transmitted from the central office computer. If an issue has been raised concerning the claimant's eligibility, a stop-payment order in the stored master record will be recognized by the computer and transmitted to the terminal unit where it will be posted on the claimant's record card as a message stating the reason for possible ineligibility. The claimant can then be referred to a claims examiner to resolve the issue. When the claimant is eligible, the benefit check is signed on a check-signing machine and issued to the claimant. The data transmission to and from the central computer and to the check-printing operation will require less than 30 seconds.

Processing Monetary Determinations

The procedure for processing monetary determinations will depend upon whether the State law requires the filing of wage record reports or request reporting of wages by employers, and whether the local or central office has responsibility for making monetary determinations. In a data transmission system, monetary determinations are made on the computer from a machine-readable document and passbook as described above, and issued along with a determination notice. The determination is delivered to the claimant with the notice. The claimant will be instructed that he must bring the passbook and readable document with him each time he reports in order to receive a benefit check. Replacements for lost claimant cards and additional cards can be prepared on the local office terminal equipment in an "off-line" mode. When the determination indicates the claimant is not monetarily qualified he will then be referred to a claims examiner for an explanation or, if he wishes, to appeal the determination.

Objectives of Data Transmission

The installation of a data transmission system in a State agency should accomplish certain major objectives, such as:

1. *An improvement in the quality of claims taking by a reduction in clerical operations.* Most methods now require an attention to clerical detail that requires at least three-fourths of the continued claims time in local offices. This seriously handicaps sound interviewing practices in the claimstaking process to determine claimant eligibility.

2. *A reduction or prevention of errors in benefit payments.* The method now in use relies heavily on manually maintained files, manual entries on records, manual computations of benefit amounts, and visual audits and inspections of records. In a large volume and highly repetitive operation, often performed under great pressure, there is greater possibility of error and nondetection of eligibility issues.

3. *A reduction in paper handling and simplified control of data flow.* The present method provides for the mailing or manual distribution of benefit payment, statistical, and other information between local and central offices and between departments within the offices.

4. *The capability for the automatic transmission of other information.* This would include employment service data and administrative reports.

5. *The capacity for the concurrent processing of data for other functions.* This would include employer contributions, statistics, etc.

Potential Advantages Expected

The expected advantages of automatic data transmission systems over present operating methods include the following:

1. More time for claims interviewers to question claimants about their eligibility for benefits;
2. Improved control over benefit payments;
3. Substantial overall savings in the continued claims-taking and benefit payment processes;
4. Better service to both claimants and employers;
5. One master file, readily available to all offices, which would eliminate several individual files of different types;
6. Prompt recording of all claims information in the master files;
7. Mechanical rather than manual calculation of benefit amounts;
8. Elimination of certain claims forms and the files for maintaining them;
9. Automatic collection of statistical data and other information as a byproduct of other functions;
10. Reduction of the incidence of overpayments by means of mechanical checking and control;
11. Capability of processing tax functions with little or no additional cost in equipment rentals, thereby effecting savings in such activities;
12. Ability to transmit employment service data, such as order clearances, rapidly between local offices and between local offices and the central office; and
13. Ability to assemble and analyze data promptly for management controls or research purposes.

Bureau's Efforts

For the past 2 years, the Bureau's Unemployment Insurance Service has been interested in having one or more of the State agencies install a pilot system so that potential advantages and savings could be evaluated. Definite plans have not yet materialized, but pilot installations are under consideration. Project goals established for these pilot installations include:

1. Replace the present routine records and clerical operations in local offices with automatic data transmission and data processing equipment capable of locating and processing records on a random basis;
2. Redefine the continued claims interview on the assumption that it need not be restricted by cost considerations nor overshadowed by clerical responsibilities;
3. Define the controls and audits, including supervisory controls, required by the change in systems;
4. Determine the qualifications and training necessary for claims interviewers in the light of reorientation of the claims process;
5. Determine the related improvements that should result in administration and management;
6. Determine the cost savings resulting from use of an automated data transmission and processing system.

Further Studies

In the absence of a current pilot installation, the Bureau plans to move ahead with research in the general use of data transmission systems. The program provides for reviewing several existing data communications installations covering a cross section of equipment installed by different manufacturers and used for various types of business operations, such as banking, insurance, airlines reservation systems, defense production inventory controls, and manufacturing.

From these reviews information will be gathered and analyzed concerning types of equipment, terminal units, transmission lines used and costs, types and frequency of messages, transmission errors, staff requirements, installation problems, savings or additional costs, and other data. The information gained will be made available to the States for use in preparing specifications, estimating potentials of a system, establishing personnel requirements, and planning for the installation.

Effective Operational Controls With EDP Equipment

The tremendous speeds of computers have, in many cases, overshadowed many other advantages they offer. One such major advantage, and perhaps even more important than speed, is that EDP equipment provides processing controls which have been unavailable or which could be accomplished only through greatly increased effort and cost. The use of EDP could result in the establishment of many controls in the administration of the UI program with little, if any, additional processing time or cost.

State agencies have done a commendable job in establishing controls for effective operation of the UI program. However, everyone with any responsibility for the program recognizes the need to improve, for example, the tax collection process and to reduce and eliminate fraudulent benefit claims and the number of nonfraud overpayments. One method of working toward these improvements is through the wider use of effective controls made possible by EDP equipment.

By freeing local office staff of some of the attention now required for clerical and control details, they should be able to do a more thorough job of interviewing the claimants, thereby reducing the number of claimant errors which result in over-

payments. In addition, controls and checks can be programmed into the EDP system to back up the claimstakers in the event they fail to obtain required information from claimants, such as whether they received social security benefits, or to note stop payments to investigate refusals of employment, or holds for job referrals.

Types of Controls

Two types of controls in an EDP system are considered here. First, those controls built into the equipment to check the accuracy of all of the units of the system and of the operations it performs. The experience of many computer users has shown that system processing errors and machine failures are quite rare. The "downtime" (period when equipment is malfunctioning) of the central processing units is insignificant since extensive controls are built into the unit to detect malfunctions as soon as they occur. Experience has shown that the major cause of downtime is with such peripheral units as card reader, key punch, printer, and tape drives rather than the computer itself.

To control possible errors in these peripheral devices, all data transferred into the computer by such units are checked very carefully to make certain that each character symbol representing information is valid, and that the proper numbers of characters for each item are read. Likewise, any information transferred from the computer for action by another unit of the system is carefully checked. The operator will be advised of the errors so detected, and the error may cause the equipment to stop, or it may reject the transaction being processed, depending on the nature of the error. It is safe to say that current computer systems offer a far greater degree of accuracy than was available under previous methods.

The controls in the second group are those of logic which are programmed into the system by the systems analyst and the programming staff. The flowcharts and programs so developed by the EDP staff should follow standardized techniques and procedures and be thoroughly documented in program manuals as a requisite to controlling the processing operations. Such documentation will permit a ready review and audit of the internal controls designed and built into the system logic. A check list for the internal controls in an EDP system should include a review of the standardization of procedures, program maintenance, input and output procedures, computer processing procedures, and magnetic tape or other storage equipment control.

After initial development of the computer programs, they must be tested extensively to prove their accuracy for processing realistic data. The computer programs should be operated parallel to the present method for a period of time to compare and prove the results for actual transactions.

Auditing EDP Systems

EDP systems should be audited, at least the initial programs, to determine whether adequate controls have been included to make certain that the output is timely and accurate and that the controls are exercised properly. Existing procedures should be reviewed carefully to establish what controls are currently in use. An auditing review for controls in the new EDP system logic should be made on a continuing basis during the design, testing, and parallel operation of the new system. The controls should be traced over the entire flow of data from the input, through each of the computer processing steps, to the output of data. The review of the controls should also take into consideration whether all of them are necessary. Unnecessary controls can result in additional processing time and result in confusion to the extent of being detrimental to the system's overall effectiveness. The development of effective controls in the EDP system depends upon an understanding and cooperation between data processing and operating personnel and a willingness to consider the acceptance of new types of controls which can be made available through the use of EDP equipment.

Auditing concepts for EDP operations, particularly with systems using magnetic tape or random access storage,[2] have undergone many changes. It is no longer possible to review ledgers which reflect individual transaction postings as they occurred. Instead, the auditor must work with a print-out[3] of the computer storage record. To determine the accuracy of such a record he must review the computer programs with the data processing personnel, the processing steps, and the controls to make certain that they are adequate to

[2] A storage technique in which the time required to obtain information is independent of the location of the information most recently obtained.

[3] Human language output produced by a computer, usually by means of a printer.

insure accuracy of the operations. Where State agencies have an established internal audit staff, it is important that the auditors be included in the early stages of planning for the installation. Changes later suggested by the auditor could be costly from a systems design and programming standpoint.

One State agency using EDP equipment recently completed an audit of the EDP benefit payment functions. Although a number of audit notations were made, it was found that most of the errors or oversights noted occurred at local office or other central office levels. Most of the EDP notations were the result of keypunch errors.

Some errors resulted from improper sequencing of transaction control cards (e.g., a benefit payment card entering the system prior to a card establishing an overpayment). One method of preventing this type of error might be to code the transaction input cards by order of priority in processing rather than by date as was used by this particular State. In a benefit payment operation the payorder transaction card should be coded as the last card in the sequence to be read into the system so that any overpayments or holds would be processed and the record updated prior to processing the payorder.

Benefit Payment Controls

The controls necessary to insure accurate payments of benefits are complex and will vary from State to State depending on State laws and procedural requirements. In a single computer processing run, it is possible to provide for many controls in the benefit payment operation, including some of the following (not necessarily in the order shown):

1. A comparison of social security numbers to make certain that there is an established claim;
2. A check for stop payment flag;
3. A check to establish whether a waiting week has been served and, if not, whether one is required;
4. A check as to whether the week to be paid is within the benefit year;
5. A check as to whether there is an existing overpayment;
6. A check as to whether this is the last week to be paid so that a proper notice can be prepared;
7. A check as to whether a payment for the week has been made previously;
8. A check to determine whether a social security or other standard deduction is to be made;
9. A computation of the benefit payment amount, based on reported earnings;
10. A check as to whether a dependency payment is to be made (in States where they are made) and, if so, a computation of the amount;
11. A check as to whether the claimant's balance is adequate to cover the payment.

Failure of the computer to meet any of the tests may result in a rejection of the payment order or in making a payment for a different amount.

Problem of Accurate Input

As most experiences and studies have shown, the greatest problem in the accurate processing of data is that of consistently collecting accurate input data. The finest equipment ever manufactured and the greatest system of programmed or built-in controls ever designed will not enjoy much success unless input data are accurate. Data processing must have management's full support and cooperation in meeting this problem.

Supplementary Equipment for EDP

The use of peripheral (supplementary) equipment increases greatly the processing capabilities of electronic data-processing equipment. These supplementary machines may be used effectively in satisfying expanding demands on EDP equipment, particularly in those States with the larger workloads and in States which are experiencing high utilization problems. One type of machine in this category is the *heat transfer* machine.

In the article "Heat Transfer Addressing in New York" (see page 21, this issue of the *Review*), a current use of a heat transfer machine is described. The New York agency is gaining many advantages from using this equipment in connection with their computer. In addition to increasing their data processing potential, they are accomplishing substantial savings.

Many other applications can be handled by heat transfer equipment operated in relation to EDP. The printing of benefit payment checks is one such application. For example, a U.S. Air Force installation uses heat transfer equipment on an "off-line" basis to print in excess of 20 million checks a year. The operation is similar to that used in issuing unemployment benefit checks. By this method, check data can be punched into cut tabulating card checks, and the data to be printed on

the check can be printed on "transfer masters" during the same computer run. On an "off-line" basis the punched checks can be imprinted by heat transfer equipment, thereby eliminating the need for two computer runs to print and punch the checks. The "off-line" imprinting can be started prior to completing the computer run, and, as a result, the total check preparation time is condensed by overlapping the punching and printing operations.

Other Applications

One State agency is now preparing to use imprinters in the local offices and an optical reader in its central office to prepare and punch benefit payment certification cards for input to the computer. The agency plans also to use the same identification plate to imprint and to code-tabulate cards to obtain statistical data on employment service activities such as referrals, placements, and counseling interviews. The optical reader also will provide the ability, on an "off-line" basis, to read information printed on benefit payment checks by the computer, and to punch the desired data into the checks.

The above approach to the preparation of payorder certifications offers several advantages, including the following:

1. Eliminates the need for the computer to punch new cycle cards;
2. Eliminates the filing and pulling of cycle cards in the local office;
3. Provides the ability to punch earnings and variable data automatically in the payorder card without the need for keypunching;
4. Provides a method for automatically establishing controls on payorders, by the local office if so desired;
5. Provides a means for capturing statistical data automatically from local offices for computer input.

The Bureau is formulating plans concerning the above system for payorder certifications, and an article describing the uses of optical reading equipment is planned for a subsequent issue of the *Unemployment Insurance Review*. Meanwhile many new devices for preparing data for computer input are becoming available. A number of States are now, or soon will be, exploring the potential usage of these new devices for processing unemployment insurance operations. When these studies are completed, a wide exchange of information about, and experience with, supplementary equipment can be expected.

Use of EDP for Research Activities

*Peter Yates**

ELECTRONIC data processing has earned a position of major importance within the unemployment insurance system through its capacity to expedite benefit payments and employer accounting functions, thus permitting use of staff involved for other purposes; and also to process data for specialized research and analysis projects; as well as to prepare standard employment security statistical reports.

Recent Research Uses

State agencies now use data processing equipment for studies of benefit payments made to various categories of claimants, and of benefit exhaustions. Computers are used for industry studies, simple trend equations for covered employment by county, and for studies of the effect on employers of tax-rate changes in the UI laws. They are used also for such administrative applications as the periodic analysis of staffing patterns and staff needs in local offices of the employment security system.

The Bureau of Employment Security relied on EDP when it prepared the reports of findings published in *Family Characteristics of the Long-Term Unemployed*—a study of claimants who received benefits under the Temporary Extended Unemployment Compensation Act of 1962 (TEUC). This study, required by the Congress to be conducted in all jurisdictions within the Federal-State UI system, was one of the largest research studies ever undertaken by the Bureau. A computer was used to edit data received from 52 employment security agencies, calculate percentage distributions, combine the data into national to-

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tals, and produce tables with appropriate titles and headings ready for publication. Another report, the 183-page *Handbook of Unemployment Insurance Financial Data 1946–63*, was prepared in a similar fashion for use by State employment security agencies to evaluate UI benefit costs and to analyze various aspects of benefit financing. Computers have been used also in studies of the duration of insured unemployment, and to process data for analyzing the adequacy of reserve funds.

Advantages Gained

Aside from the great speed with which computers produce required computations, another advantage—perhaps less generally recognized—is their speed and accuracy in producing final output report material, often in detailed tabular form. A major feature of computers is their ability to edit and to printout the data in a specified format. This capability enables the user to obtain output data suitable for direct reproduction for publication; it eliminates the need to type tables or have them set in type by the printer, as well as the need to proofread typed or printed tables. It provides a far more accurate proofing check than would be possible by manual effort, particularly where voluminous data transcriptions are involved. This combination of high-speed processing and printing of study data can often mean the difference between a research report produced soon enough to be useful for taking appropriate action and a report too tardy to serve effectively as the diagnostic or predictive tool it was intended to be.

EDP capabilities contribute to the accuracy of research findings in a number of other ways. Researchers can develop study designs which offer greater efficiency per research dollar than with traditional manual methods. Access to pertinent data is far easier when much of it is maintained in machine input form, rather than in some other format. The need for field workers to reestablish and transmit information to the central office is diminished.

Highlighting Significant Data

The growth in the future use of EDP equipment for research functions should match the growth in the number of States acquiring a new or expanded computer capacity. Much of this increased use will be devoted to processing reports and analysis of data already in existence. If, however, the conversion to EDP of the existing series is limited simply to obtaining traditional output by speedier means, then not all of the new equipment's capabilities will have been tapped. Computers can, when properly programmed, identify trends, exceptions, and other important indicators which in the past had to be sought by the efforts of a human analyst. By producing reports in a format that will highlight the data of greatest significance to the user, while subordinating extraneous data, the new equipment can do much to increase the effectiveness of the UI research program. EDP equipment permits more detailed analysis and correlation of data within reasonable time limits than has been possible heretofore, and it permits the inclusion of more variables than could be handled previously.

Research Approaches

The use of EDP equipment now makes possible consideration of a number of research approaches which previously had not appeared feasible. The Bureau considers a continuous wage and benefit history file, maintained on magnetic tape or random access equipment, as an approach with great potential value. This file would accumulate data extracted continuously from agency records on wages, claims, and claimant characteristics for samples of covered workers and claimants. It would provide a comprehensive compendium of data available for studies in any or all aspects of unemployment insurance, immediately accessible at the researcher's command.

The advantages of the continuous wage and benefit history file include the fact that the data it contains are byproducts of normal operations (requiring no special collection steps), and are readily available for in-depth analysis of a wide range of problems. For example, benefit entitlement studies could be made without the need to collect data over a 3-year survey period subsequent to the decision to initiate such a project. Further, the file would facilitate benefit adequacy, benefit duration, and successive benefit year claimant studies; provide annual estimates of the number of workers with different wage credits; assist in estimating the effect of proposed changes in benefit and eligibility formulas on the taxable wage base; and provide a broad range of information about covered workers, benefit claimants, and job market area information.

Potential Research Applications

One of the major challenges facing the Nation today is the improvement of employment opportunities for all citizens. The problems are complex, and many specific programs, emanating from both the public and private sectors, will be required if the challenge is to be met successfully. The UI program has a vital role to play in this undertaking, particularly through its direct contact with the problem of long-term, hardcore unemployment. As the effort to create new jobs and prepare people to fill them intensifies, research requirements assume a greater urgency.

Efforts must be increased to learn why certain individuals are chronically unemployed. The specific factors which limit the ability of the jobless workers—for example, the young people, the untrained, the chronically poverty-stricken—to find useful and self-sustaining livelihoods, must be determined. If answers to these questions can be obtained, they will prove invaluable not only to the UI program, but also to many other programs with similar broad objectives. The TEUC research study was a first step in this direction. To meet their full responsibility for continued progress in this area with efficiency and dispatch, administrators of the UI program will have to rely increasingly on electronic data processing to identify and analyze specific problems.

While the value of EDP for research activities has already been established, there are many potential research applications which as yet remain unrecognized. As these applications are identified, the UI system will realize more fully the support which data processing can provide in meeting the challenges of the future.

The August issue of the *Unemployment Insurance Review* will be a special issue commemorating the 30th anniversary of the unemployment insurance program.

Managing Data Processing in Missouri

*Victor E. Viets and Forest A. Coleman**

WHAT CONSTITUTES effective management of data processing? Does management of data processing differ in any unique way from management of other activities in the total employment security program? If so, what are the particular "tools of the trade"?

Answers to these and similar questions may be found in many books and articles in trade publications about management and data processing. While opinions of experts on the subject are as diverse as they are numerous, benefits may be derived by gleaning from these sources items which are useful in broadening one's knowledge in this vital area.

In whatever form theories of management may be presented, their basic principles must be examined closely to determine which are practical for application toward effective control and evaluation of data-processing operations. Operating techniques can be developed to fit specific needs. These techniques must be flexible enough, however, to accommodate fluctuating workloads, new programs, and shifts in emphasis in regular programs.

A brief exploration follows of the data management techniques being applied in Missouri to a few of the basic operations common to all employment security agencies.

Organizational Structure

The position which the data-processing unit occupies in the agency organizational structure has a bearing on its efficiency. In the Missouri agency the Tabulating Unit is a component of the Accounting Section, whose supervisor is directly re-

*Mr. Viets is Chief of the Accounting Section, and Mr. Coleman, Chief of Tabulating, Missouri Division of Employment Security.

sponsible to the Assistant Director for Administration. While this arrangement is not unique, it does have certain advantages. It provides for better accounting control, maximum utilization of equipment, and shifting of personnel between units to accommodate the various peaks and valleys as they occur during normal workload cycles.

The advantage of flexibility in utilizing personnel is illustrated in the operations of the Tabulating Unit which consists of the machine, key punch, base period file, and OA–702 file sub-units. A large enough staff of key punch operators is maintained to insure completion of the voluminous task of punching quarterly wage records within a time limit of about 8 weeks each quarter. During the remaining 5 weeks, all operators not assigned on a daily basis to regular punching operations are shifted to the OA–702 file and base period file sub-units. There they verify mismatched wage items rejected by the machine sorting and collating processes, and perform other routine and clerical duties to assist the clerks who are regularly assigned to both files. This arrangement not only guarantees a full-time staff of trained operators, but also provides an accurate wage-record file which results in a consistently low volume of wage disputes with a correspondingly low volume of costly monetary redeterminations. Shifting of personnel between the Tabulating Unit and other units within the Accounting Section also is arranged as required.

Procedure Documentation

It is difficult to imagine how a data-processing unit of any size could operate efficiently without written procedures. Yet this important management tool is sometimes ignored in many organizations. One reason for the lack of written procedures is that the job demands concentration and hard work, and it may be postponed for a more opportune time which somehow never arrives.

On the other hand, a well-documented, complete set of procedures which is never used or referred to is worth less than the paper on which it is written. Documented procedures are a means to an end, not an end in themselves. Procedures should be considered not as an inflexible set of rules but rather as a tool to provide: (1) A useful method for training personnel responsible for the actual performance of the functions involved, and (2) a basis for evaluation and continuous review of operations with the objective of control and possible improvement.

Flow Charts

The Missouri agency found that the most effective technique for developing procedures involves the use of flow charts. The supervisors of data processing begin by preparing, in rough form, a chart which depicts step by step the general flow of work in order to accomplish the desired result.

A view of the Key Punch Unit.

A closeup of the #108 card-proving machine with typewriter output, used for balancing operations and statistical sorting.

Where other departments are involved in the workflow, conferences are held with them to arrive at mutual agreement. The necessary card forms and reports are developed and agreed upon. After the initial flow chart is completed, the various steps are described in narrative form to define the necessary details. The supervisors discuss the narrative and chart with the operator in charge of the particular function, and any required revisions are made.

A training session is then held, attended by the supervisors, the operator in charge, his junior operators, and other operators whose functions are closely related to the process under review. Copies of the narrative and flow chart are distributed to each person present. The operator in charge conducts the session by reviewing in detail each step of the procedure and inviting questions and comments. Invariably, at this point, further suggestions for improvement are made and are incorporated as revisions. After final agreement has been reached, the narrative and chart are forwarded to the methods and procedures section for editing and official documentation. For ready reference and procedural control, a copy of the procedure with accompanying flow chart is given to each person who attended the training session.

The flow chart technique is well received by agency staff, since operators become partners with management in the development of procedures covering operations which they perform. As there are over 50 separate procedures in the key punch unit and a similar number of applications in the machine unit, a continuous review is essential.

Machine Utilization

A system of continuous recording of machine hours used in processing all phases of activity provides a management tool for evaluating the efficiency of data processing operations. The system need not be elaborate; however the data accumulated should be accurate and in sufficient detail to provide a basis for an intelligent analysis of machine requirements and for proper scheduling of activities.

The Missouri agency's accumulation of data begins with a punch card which provides columns for date, machine number, description and functional code of activity, beginning and ending time of function performed, elapsed time, and operator's code number. A supply of cards for each machine is stored in a card holder magnetically attachable to each machine. Each day, as operations are performed on a particular machine, the operators involved fill in the required information. Any breakdown or inspection time is also recorded.

At the beginning of the following workday a clerk gathers the cards, checks them for completeness and accuracy, and calculates the elapsed time for each function performed on each machine. The cards are key punched and the information is summarized at the end of each calendar month in the form of two listings: (1) A breakdown by functional code of total hours used during the month on each type of machine, and (2) a breakdown by type of machine of total hours used, available hours, and utilization percentage. This information is posted to a summary sheet for each type of machine, with a spread of 12 months, showing the total hours for each functional code, total hours for the month, total available hours, utilization percentage, total hours not used, and number of machines. Since most UI program activities follow a seasonal workload trend, the hours used for each month can be compared readily with hours used for the same month in the previous year. Coupled with projected future workload estimates, this information provides a realistic basis for determining whether there are too many or too few machines on rental.

Time factors also have been calculated and are used as criteria for measuring operator efficiency for such continuous daily operations as monetary determinations, check writing, and employer notices of claims filed. Actual time studies were used as the basis for determining the hours required for each type of machine to process, for example, 1,000 monetary determinations, including setup time. The time factors are multiplied by accomplished workloads for any given period and the results are compared with recorded time.

Since 1962 a number of changes in basic equipment have been made with the goal of attaining maximum efficiency at the lowest possible cost. The present installation consists of the following equipment: 22 card punches, 2 electric punches, 1 duplicating punch, 6 verifying punches, 4 sorters, 4 collators, 3 accounting machines, 5 reproducers, 2 interpreters, 2 calculating punches, and 1 card proving machine with typewriter output. In addition to this basic installation, one accounting machine is rented for a period of 3 months each year to accommodate the annual experience rating function.

Scheduling of Activities

In data-processing operations a smooth flow of work depends largely on proper scheduling of activities. Meeting the various deadlines on a daily, weekly, monthly, quarterly, and annual basis requires advance and continuous planning to assure the availability of sufficient personnel and machine time. The scheduling of claims and benefits activities must be worked out on a daily basis because of changes in volume from day to day.

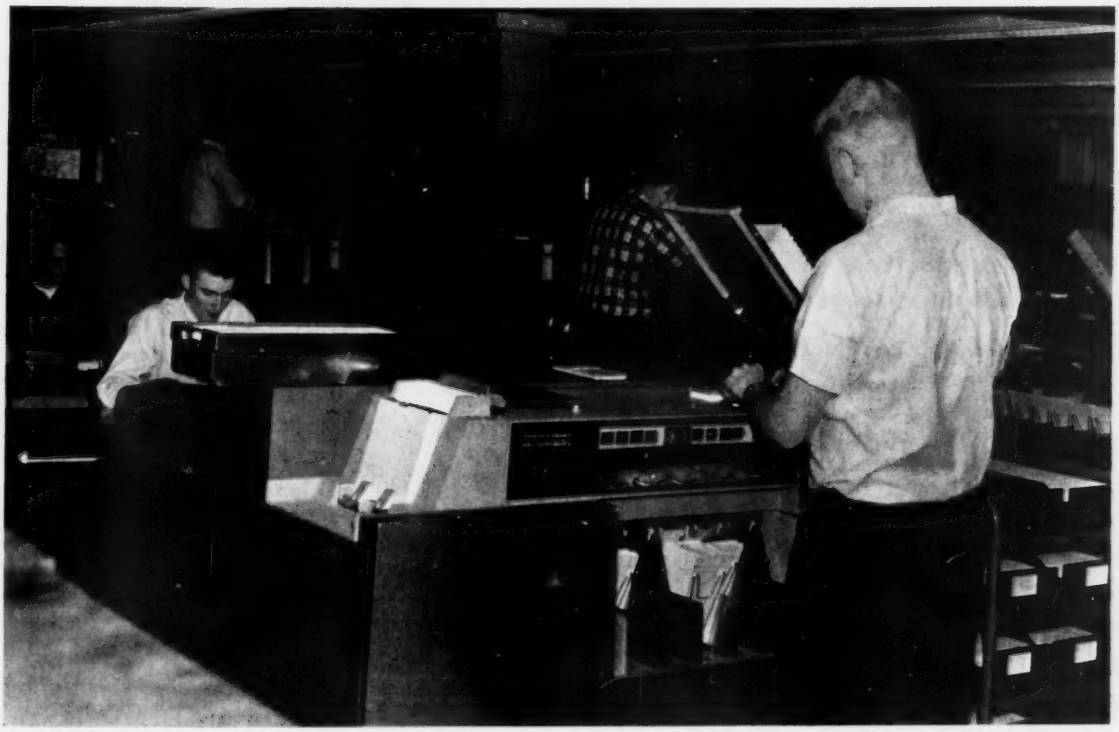
In activities where machine utilization reaches critical stages due to concurrent peak loads, an annual schedule has been developed for each machine involved. This schedule lists each activity and the hours of the day and the days of the month during which such functions must be performed in order to meet the necessary deadlines.

Machine Applications

Broadly categorized, present machine applications include: Wage records; monetary determinations (including notices to base-period employers of claims filed); benefit payments; check reconciliation; overpayment and fraud (including quarterly match of benefit payments with wage records, daily processing of overpayments established and restitutions); statistical reports (a total of 23); equipment inventory control; employer accounts and collections (including daily processing of contributions activity, report-due file, accounts receivable and payable, notices to employers of report and money delinquency, proofs of credit, etc.); and experience rating (including computation of individual employer tax rates and annual tax statements, quarterly statements to employers of benefits charged, charging benefits paid to claimants having only one employer in their base period, and balancing total charges with total benefits paid).

The annual experience rating function is an example of the importance of advance planning, particularly because conventional EAM (Electrical Accounting Machine) equipment is used. About

In the Machine Room, operator above (foreground) is listing monetary determinations on a #407 accounting machine; operator below (foreground) is merging new quarter wage records into the Base Period file, using a #088 collator.



70 separate steps must be performed in sequential order, involving the Tabulating Unit and Employer Accounts Unit, to accomplish the total task during the period June 1–December 15 each year. In May, at a special meeting of all involved personnel, a time schedule is developed showing the proposed beginning and ending dates of each activity. This schedule provides procedural control, promotes mutual understanding of the job ahead, and generally helps to prevent confusion.

Results Obtained

Due to a fine working relationship with other departments within the agency for which tabulating services are provided, schedules of all data-processing activities have been established to arrive at realistic deadlines and due dates which are mutually satisfactory to all parties concerned.

The present program of continuous review and evaluation of the areas outlined above began in March 1962. Since that time the data-processing unit has experienced improved and expanded service, virtual elimination of overtime and split shifts, general improvement in employee morale, better housekeeping, a 10-percent reduction in staff, and a 12-percent reduction in equipment rentals.

How Utah Utilizes ADP Equipment

*L. G. Burns**

THE EFFECTIVE coordination of an automatic data-processing system must begin at least 2 years prior to the installation of the actual hardware. The first step is to consult with all individuals and organizational units concerned with operations and research and to insure their active involvement. Taking this basic action is important if the ADP equipment is to be effectively utilized.

At the very beginning of ADP planning, discussions must be held between all operational units and the systems analysts making the survey. The operations staff must explain not only their present procedures and requirements but also must outline what they hope to accomplish with the new equipment.

This broad consultation and involvement has many beneficial effects. It creates an understanding of the capabilities and limitations of the equipment to be installed. This understanding tends to eliminate many of the fears and misgivings that are so prevalent when the word goes out that ADP is being considered. For many employees these fears are very real. Some fear the loss of responsibility; others worry about the loss of their jobs due to automation. However, when individuals assist in the review and planning of an ADP system, they tend to change from "resistant skeptics" to "enthusiastic supporters."

After the systems analysts have reviewed and outlined all operations to be converted, the ideal way to begin the changeover is to program, test, and debug one procedure or phase of operations and then have the hardware installed. Subsequently, all the other procedures are programmed, tested, debugged, and converted one at a time after the hardware is "on the floor." However, because the Utah agency is a relatively small one, and the installation of an ADP system had to be justified, it was necessary to program, test, and debug all claims and contributions operations, statistical reporting, mass mailings, and the agency payroll and then to convert all these procedures to the new system at the time the equipment was delivered. To convert so many detailed procedures at one time is particularly difficult. Fortunately, the systems analysts and programmers did such an outstanding preparatory job, the agency was able to release old equipment and discontinue dual operations after 30 days.

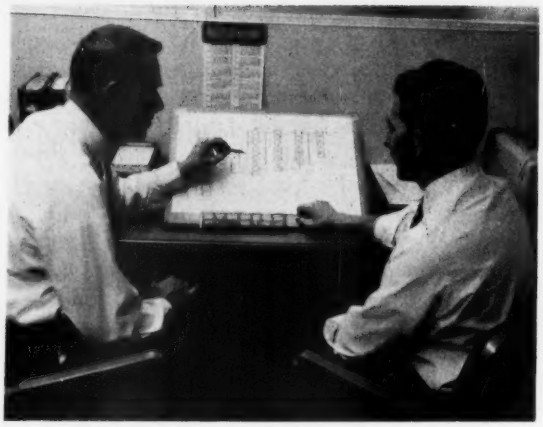
Functions Programmed

The following functions have been converted to ADP and are now fully operational:

Benefit and Related Statistical Functions

1. Computation of monetary benefit determinations and printing of determination forms;
2. Preparation of initial claim cards and decks of benefit payment orders;
3. Maintenance of a record of stops, disqualifications, and overpayments on individual records;
4. Decisions as to the processability of benefit payment orders;

*Director, Unemployment Insurance, Utah Department of Employment Security.



Programmers Donn Amott and Merlin Pass preparing block diagrams.

5. Computation and preparation of benefit warrants and registers;

6. Updating of individual records;

7. Maintenance of accounting balances and statistical controls;

8. Computation of time lapse on benefit payments or appeals and preparation of statistical data as byproducts of benefit operations;

9. Preparation of various employment security reports on benefits;

10. Updating ledger records or history file with individual payments and notations;

11. Automatic preparation of transcripts of records for which claims were nonprocessable as well as for records requested;

12. Weekly updating of check reconciliation tapes, adding records for warrants written during the week and deleting those returned from the State treasurer, obtaining automatic balances for number of warrants issued, returned, and outstanding, and preparation of outstanding warrant lists.

Contributions and Related Statistical Functions

1. Updating the ledger records with current transactions;

2. On new accounts and changes of entity, preparation of file stickers, DE 333 cards, delinquency control cards, notices to tax commission;

3. Audit of individual accounts for contribution deficiency or overpayment, credit balances, prior reports filed in a quarter, reports filed after termination, delinquent reports filed;

4. Statistical audit of employment, wages and hires, and preparation of mailing addresses for reports with missing data;

5. Imprinting of mailing addresses on quarterly contribution reports;

6. Determination of delinquencies and printing of delinquency notices;

7. Preparation of transcripts of accounts upon request, or for error conditions encountered in an update;

8. Transfer of wage credits in inheritance cases;

9. Computation of new tax rates (experience rating);

10. Preparation of reports on employment and wages; ES–202 (Employment Wages and Contributions), ES–204 (Experience Rating Report), quarterly firm listings by industry and county, job market quarterly, annual reports, and size-of-firm reports;

11. Addressing of special mailings by area or industry requested by local offices or others;

12. Maintenance of accounting balances.

Agency Payroll

1. Computation and preparation of payroll checks;

2. Preparation of check registers and accounting balances;

3. Preparation of distribution registers on deductions;

4. 941 quarterly reports;

5. W–2 annual reports;

6. Fiscal year reports by individual for audit purposes;

7. Computation of retirement rates.

Other functions which are programmed and operational include test development work computing OAPs (Occupational Aptitude Patterns) from raw scores, computing percentiles, profiling participants, and developing correlations.

Some of the Utah agency's operations require consecutive processing of all records in the file while other procedures are accomplished on a highly selective or random basis. Experience has shown that the most efficient and time-saving method to use in working with tape files has been to do all of the jobs concerned with the same records in a single pass of the master records on the machine, usually in the updating run. Where it is not possible to obtain all the output needed, due to the limitations of core storage (the computer's main memory storage device) or the number of

Edna Smith, ADP Supervisor, feeding punched card data into the Computer System.

forms to be printed or cards punched, the records to be processed further are extracted on an extra reel of tape while doing the volume job. This affords the advantages of consecutive processing of all records where needed, and it minimizes the disadvantages of the inability to effect random processing for some other jobs.

Other Operations Examined

After the ADP system was fully operational, the agency examined other operations that were particularly troublesome because of their repetitive nature or because of lack of available information. One of the first to come to attention was the collection of information for, and the preparation of, the ES–203 (Characteristics of the Insured Unemployed) report. The collection of information for this report was a very tedious job for local office claims personnel, particularly when the sample fell during a heavy workload period.

After consultation and review of the problem, it was determined that only one additional item—occupational code—needed to be added to the claimant's initial claim form. This item together with the other benefit information already available on ADP benefit tapes would enable us to prepare the intrastate portion of the ES–203 report. The only remaining data to be obtained from the local offices would concern interstate claims. It was decided that a crash program to add the additional data to the tapes all at once could not be undertaken. Instead, the occupational code and other data, were listed on each new claim filed after July 1, 1963.

By June 30, 1964, the additional information was available on every active claim. Because this information had been added to the benefit tapes with the basic claims information, and because during the period that the information was collected the procedure had been programmed, tested, and debugged, it was considered operational by July 1, 1964. Utah Reports and Analysis personnel now consider the ES–203 data far more reliable than that reported previously. In addition, instead of obtaining the required data from a selected sample, data are now available from the universe.

Facilitating Research Functions

At the time it was decided to add the occupational code to the new claim form and the benefit tapes, new and added emphasis was being given to the training and retraining of the unemployed. It was soon recognized that staff in the State agencies would have to increase their knowledge of claimant characteristics not only for use with the training programs but for future requirements of the manpower program. As a result, two more questions were added to the new claim form: (1) Highest year of education completed, and (2) marital status. Very valuable current information about claimant characteristics is now available to the Employment Service Director, Training Coordinator, or the Utah Department of Vocational Education, whenever required for studies of training needs and to select individuals for training. The information is available in any breakdown desired—by industry, area, age, sex, occupation, or other category.

The agency anticipates installing another procedure in the very near future which holds great promise, particularly from the standpoint of future benefit research. The procedure provides for the preparation of a punched card for each claimant at the time his benefit year expires. The data will be obtained from the benefit tapes and will include not only all claimant characteristics information but also all information regarding benefits paid. From an accumulation of this punched card data, all the information will be readily available for future studies on repeater claimants, claimant characteristics, post-exhaustion studies, and studies on training cases. Information on the latter item is very important for the agency as Utah is one of several States whose laws provide regular unemployment insurance benefits to a claimant while he is taking an approved training course.

The data will also permit the study of trends, particularly with respect to exhaustions, and the occupational category, industry, area, age, and sex of benefit claimants. It will provide the agency with excellent data for legislative planning and will provide a very good basis for comparison with any future studies that may be undertaken. In addition, the data will consist of the universe of claimants for as many years as the data are maintained.

Management Controls

Recent changes in administrative budgeting procedure made it obvious that management should develop new methods for quickly tabulating time and cost data and to establish more timely budget

controls. The new procedure for issuing quarterly obligational authority allocations and letters of credit to the Federal Reserve Bank make it imperative that a State agency know not only "where it has been" but currently "where it is going."

After a considerable amount of consultation and review with staff concerned with time and cost and fiscal operations, it was decided to convert these activities and controls to ADP. During December 1964, the agency ran a dual operation which provided an opportunity to work out the bugs in the new ADP procedure before dropping manual methods.

Under the new procedure, the fiscal-year allocation and the quarterly obligational authority allocation will be recorded on tapes. After these totals have been entered, the allocations will be broken down and reentered by function, major division, section, unit, and local office.

The Utah agency is on a 100 percent time-and-cost reporting program. All employees are required to submit daily time sheets showing time spent according to detailed functional codes on a 6-minute breakdown basis. The employee enters his name and social security number and the total time spent in each functional code. Total time spent must equal 7½ hours per day unless overtime has been authorized previously. Time sheets must be submitted daily to the ADP section where they are punched on a current basis. Whenever time sheets are missing or whenever errors have been made, the equipment prints out an "exception" sheet which in turn is routed to the time and cost section where the error is corrected or the employee is contacted.

Time reported on the daily time sheets is charged against the allocations previously set up on the tapes, and reports are then printed out to show not only time charged but also balance available by function, division, section, and local office. As the agency payroll was set up in social security number sequence at the time the system was installed, and as the employee's social security number appears on his daily time sheet, hourly rate information is now available for every individual who charges time. It is now possible to print out reports with respect to hours spent by function, and dollar cost by function.

While the agency planned the preparation of these reports on a monthly basis beginning early in 1965, it is possible with this procedure to print either weekly or daily reports. It is expected that the reports can be printed within at least 5 days after the end of the reporting period. Present mail service requires at least 3 days to receive all time sheets from outlying local offices. One day is required to punch the time sheets and correct the errors. Only a few minutes are needed to print the reports on the fifth day. This speed-up on reports will be of material assistance to all management personnel.

Employment and New Hires Data

As indicated above a considerable amount of statistical data are now obtained as a byproduct of claims and contributions operations. There are even more advantages. Formerly the R and A section reviewed all quarterly contribution reports for the purpose of detecting those on which employers had made errors when reporting new hires and employment. As the programming had provided for the auditing and editing of contribution reports for accounting purposes, it was relatively easy to include instructions for statistical purposes. The equipment prints out an exception notice and an addressed gummed label whenever the reported data do not compare with the information reported for the prior quarter or prior year. Now it is necessary to review only about 2,000 "exception cases" per quarter. If reviewing personnel consider it necessary to send a questionnaire to the employer, the gummed label is attached to an envelope for mailing. In addition, the employment and new hires data obtained by ADP are considered far superior to the information previously available. The tallying and editing are consistently more accurate and the time spent in obtaining the final product has been reduced greatly.

Only very brief listings of major and subprograms converted to ADP have been referred to above. Many more operational and research programs have been set up on ADP. They include the handling of hours and earnings data as well as computations of wage rates and hours for U.S Bureau of Labor Statistics reports, the maintenance of address files and the addressing of special reports and publications, such as local office shortage demand lists, the monthly job market bulletin, local office news letters, and a statistical quarterly. Also, a considerable amount of work has been done with respect to test scoring and profiling and the test development programs.

FORM 3 REV. 1-64

UTAH DEPARTMENT OF EMPLOYMENT SECURITY

174 SOCIAL HALL AVENUE, SALT LAKE CITY, UTAH 84110

EMPLOYER'S CONTRIBUTION REPORT FOR QUARTER ENDING 19

1. EMPLOYER'S UTAH REGISTRATION NUMBER, NAME AND ADDRESS: (IF INCORRECT MAKE NECESSARY CHANGES.)

AUDITED

REFUND CONTR

DEF'Y INT.

NO. PEN'Y

TOTAL

YOUR CONTRIBUTION RATE

A REPORT MUST BE FILED IF YOU PAID NO WAGES, WRITE "NONE" IN ITEM 4, SIGN AND RETURN.

2. ENTER NUMBER OF COVERED WORKERS IN UTAH EMPLOYED IN PAY PERIODS OF ALL TYPES INCLUDING THE 12TH OF EACH MONTH IN THE QUARTER. SEE INSTRUCTIONS.

1ST MONTH	2ND MONTH	3RD MONTH

3. ENTER NUMBER OF NEW HIRES MADE IN UTAH. INCLUDE ALL TEMPORARY OR PERMANENT ADDITIONS TO YOUR FIRM'S PAYROLL MADE IN UTAH DURING THE QUARTER. SEE INSTRUCTIONS.

QUARTERLY TOTAL

COMPUTATION OF PAYMENT

4. **TOTAL WAGES** PAID THIS QUARTER FOR COVERED EMPLOYMENT.	$	
5. LESS WAGES IN **EXCESS OF $4200.** PAID EACH WORKER. SEE INSTRUCTIONS.	$	
6. NET **TAXABLE WAGES** PAID THIS QUARTER.	$	
7. **CONTRIBUTION** DUE THIS QUARTER, MULTIPLY ITEM 6 BY RATE ABOVE.	$	
8. **INTEREST** IF CONTRIBUTION IS DELINQUENT - - - ½% PER MONTH.	$	
9. **PENALTY** IF DELINQUENT - - - NOT LESS THAN $2.50 - - - SEE INSTRUCTIONS.	$	
10. **TOTAL** PAYMENT - - - ADD ITEMS 7, 8 & 9	$	

11. ARE THERE ANY BONUSES OR LUMP SUM PAYMENTS INCLUDED IN ITEM 4 ?

YES ☐ NO ☐

IF YES LIST AMOUNT OF PAYMENT - SEE INSTRUCTIONS

$

PERIOD OF SERVICE BY EMPLOYEES FOR WHICH PAYMENT WAS MADE:

FROM:

TO:

MAKE CHECKS PAYABLE TO UTAH UNEMPLOYMENT COMPENSATION FUND
DO NOT MAKE ADJUSTMENTS HEREON FOR CORRECTION OF PRIOR QUARTERS — SEE INSTRUCTIONS

12. EMPLOYEE'S SS NO.	13. NAME OF EMPLOYEE	14. TOTAL WAGES PAID	FOR AGENCY USE ONLY
16. TOTAL WAGES ALL PAGES	15. TOTAL WAGES THIS PAGE		

I CERTIFY THE INFORMATION CONTAINED ON THIS REPORT AND ATTACHMENTS IS TRUE & CORRECT.

SIGNED TITLE DATE

COMPLETE ITEMS ON REVERSE SIDE

***Quarterly Contributions Report:** This continuous-length form is not only addressed for mailing but is also processed on ADP after being returned by the employer.*

Continued Review

Each year since the installation of the ADP system, a review has been conducted and a modified feasibility study has been made. Many improvements have been effected through this review which also helps staff become familiar with new equipment as it becomes available. To date no additional equipment has been acquired. However, if the agency is suddenly faced with the problem of a large increase in workload of a permanent nature, the type of equipment that would have to be added or replaced is known, as well as the costs in terms of current prices.

It is likely that many additional improvements will be made in Utah's present system as a result of this continuous review, and the consultation and involvement of all personnel concerned. Effective coordination of these activities will, in the final analysis, mean effective utilization of the ADP system and more advanced and effective employment security management.

Texas' Experience With COBOL Programming

*Sam W. Montgomery**

IN JUNE 1962, the Texas Employment Commission selected the UNIVAC III computer to replace a large punch card installation that was performing the majority of the agency's accounting processes. Initially, six major applications were to be converted to the computer: Benefit payments, monetary determinations, employer chargebacks, wage records, contributions, and employer tax rates. Under the punch card system, continued claims for benefits filed during a period of ineligibility or disqualification were mechanically selected and payment or nonpayment was manually decided. This function also is to be placed on the computer. No major change from the basic approach employed in the card system was anticipated for the other six applications.

After selection of a computer the problem of obtaining programmers arose. An aptitude test was given to all employees who applied from within the agency. From a group of 169 employees who took the examination, 12 were selected as the team to program the applications and make them operational. Of this team, nine employees became programmers. Because of the broad coverage for the examination a rather heterogeneous group was selected. Some of the group knew absolutely nothing about the applications to be programmed; some had a superficial knowledge of the applications; and others knew the card system very well. Primarily because of the lack of experience of the programming staff, it was decided to use COBOL (Common Business Oriented Language) as a programming language.[1] There were three main reasons for using COBOL: To facilitate training, for documentation, and for debugging purposes.[2]

1. *Training.* — Because English is used in COBOL language it was decided that a new group of programmers could more readily comprehend its usage. It would not be necessary for them to learn the basic concepts of programming, agency procedure, and a new mnemonic language. Basic training was completed in about 8 weeks. Then the trainees took an application as a classroom problem and worked on it for about 2 months. This exercise gave practice in the use of COBOL. It also gave supervisors practice in systems analysis and investigation.

2. *Documentation.*—One of the most onerous tasks of programming a large number of computer runs is documentation. It is advisable to have someone other than the original programmer avail-

*Assistant Director of Machine Accounting, Texas Employment Commission.

[1] COBOL is an automatic coding language used in programming data processing applications. It was developed by the data processing industry and can be used on many different computers. It is intended not only as a means for presenting any business program directly to any suitable computer for which a compiler exists, but also as a means of communicating such procedures among individuals. A compiler is a translating, generating, and assembling system. It is a programming system which translates a procedure-oriented source language (e.g., COBOL) into an intermediate language and then generates from this a third language suitable for a particular machine.

[2] Documentation is the group of techniques necessary for the orderly presentation, organization, and communication of recorded specialized knowledge, in order to maintain a complete record of reasons for changes in variables. Documentation is necessary not so much to give maximum utility as to give an unquestionable historical reference record. Debugging concerns locating and correcting any errors in a computer program or detecting and correcting malfunctions in the computer itself.

able who can read and comprehend the program after it has been written. For this reason, COBOL seemed more useful because it uses English. COBOL is by no means the answer to the age-old problem of documentation, and does not replace the need for application charts, flow charts, and a narrative of each program. COBOL does, however, make it possible to use familiar names and abbreviations within the data division and procedure division, such as WBA for weekly benefit amount.

3. *Debugging.*—The COBOL compiler finds many of the clerical errors made by the programmer, such as misspelled data names or the omission of a period, thus reducing to some extent the amount of debugging necessary. The compiler furnished with UNIVAC III accomplished an unusual amount of checking within a program before producing the object program. This was of considerable assistance, but it by no means eliminated the debugging procedure.

The agency has found some disadvantages in its experience with COBOL. Many of these prevent the programmer from writing the most efficient program. Some of these problems are as follows:

1. *General purpose language.*—COBOL programs are slow to write because COBOL is a general purpose language used to meet the requirements of many computers. It is obvious that it would take more time to write a program in a verbose language instead of shorthand. Mnemonic languages eliminate the use of all prepositions, adjectives, and conjunctions. Symbolic languages use only verbs, thereby reducing the amount of writing.

2. *Compilation.*—COBOL compilation time is much longer than an assembly language such as UTMOST (UNIVAC Three Machine Oriented Symbolic Translator). A program written in COBOL may take as long as 45 minutes to compile, whereas the same program written in UTMOST could take from 5 to 10 minutes to assemble. This is a distinct disadvantage to a new user, especially if he has inexperienced programmers. Some of the agency runs have been compiled as many as 20 to 25 times because of program bugs or changes in system design. It was necessary to program 250 separate runs to complete the 6 initial major applications. It is readily understandable that with that many runs it would take an unusual amount of time to compile, test, and debug.

3. *Object programs run slow.*—Because COBOL is a general purpose language, it uses more memory. As a general rule, any program that uses a large amount of memory will be a slow running program. The devious route some particular forms of logic have to take in COBOL uses excessive memory and slows the running time. The UNIVAC compiler uses many "procs" or subroutines in the object programs to accomplish the desired results. The subroutines slow down the running time. The same programs written in another language could be faster. For example, a run that took 1 hour in COBOL took only 1 minute when written in UTMOST. This example is by no means the general rule, but it does demonstrate how slow a COBOL run can be. For most COBOL runs that have been changed to UTMOST, the running time has been reduced by one-fourth to one-third.

4. *Restricted use.*—COBOL does not allow the use of some of the computer's features because, being a general purpose language, it is not restricted to one type of computer or to the product of any one manufacturer. This could be an advantage as well as a disadvantage depending upon the particular situation. If more than one type of computer is to be used, it could be an advantage. If the use of only one computer is planned, it could be a disadvantage. For instance, on the UNIVAC III it is possible to read tape backwards, but this feature would be of no advantage when using COBOL. Tape label checking is also restricted by the use of COBOL.

It is extremely difficult to recommend or reject the use of COBOL based on the Texas agency experience. However, the agency has decided to rewrite the slow runs in UTMOST. While the complete elimination of COBOL programs is not anticipated, the number of runs will be reduced.

Nearly all manufacturers provide for COBOL to be used with their machines. Other State agencies contemplating using COBOL should therefore compare the experience of COBOL users with the same hardware configuration that is being proposed or should obtain firsthand information on COBOL in action with the particular hardware in question. COBOL will compile and operate satisfactorily on very large computers because of greater memory capacity, leaving additional memory for data used in the program. On the other hand, the more limited memory capacity of smaller computers reduces the efficiency of COBOL. For

example, one run in the benefit payment application used 25,000 words of memory. As this was larger than the total capacity of the computer, the application had to be split into three separate runs. As runs are rewritten in the faster UTMOST language, the agency plans to redesign the tape files to permit runs to be consolidated, thereby reducing overall running time.

COBOL is extremely useful and could fill the need of a general purpose language, but until the data-processing industry through the Codasyl Committee eliminates its problems, its usefulness will be limited.[3] FORTRAN (Formula Translator), another automatic coding language used in programming computational problems in algebraic terms, had similar problems when first used but has been improved constantly by industry. FORTRAN users indicated they not only desired, but intended, to use it as a programming language. Similar indications on the part of data-processing users with respect to COBOL may bring about improvements in that language.

[3] The Codasyl Committee was formed to develop improvements in COBOL language. It is composed of representatives of the Department of Defense and the computer industry.

Heat Transfer Addressing in New York

*Samuel K. Miller**

WHAT is heat transfer addressing? What does it accomplish for the operations of the New York State Division of Employment? How did the employment of heat transfer come into being? What are its possibilities?

Heat transfer addressing is accomplished by means of a transfer printer—an integral part of which is a controlled heat platen. Computer output in the continuous form of "transfer masters" converts to direct imprints on automatically fed unit documents. Data (e.g., names and addresses of employers) are outprinted, backed up with transfer carbon paper to produce a reverse or mirror image. These transfer master forms are prepared at a normal operating speed, which in the New York operation is 1,800 lines a minute—"3 up" at 600 lines a minute on a 1403 printer. Through application of heat, images are transferred directly from the master to the unit forms at speeds of 120 or more per minute on the heat transfer printer which, incidentally, is not physically a part of the computer installation. The quality of the addressing in terms of density, sharpness, and legibility is regulated by a manually operated thermostatic control. If needed, two impressions of good quality can be obtained.

The Division of Employment began using this system in February 1964. It permits: (1) the employment of a single universal employer address file; (2) the discontinuance of cumbersome addressograph plates for repetitive addressing purposes; (3) a reduction in the space required to house over 400,000 plates, from 1,500 square feet to that needed to store a few reels of tape; and (4) the savings in personnel time equivalent to 22 positions.

Problems of Prior System

Prior to the advent of the computer, the Office of Employer Accounts had maintained an addressograph plate file of employer accounts. Similarly, for a number of years, a tabulating card file of employers' names and addresses had been maintained in the Office of Benefits and Experience Rating. The addressograph plate file had been used: (1) to prepare initial control files (correspondence folders, alphabetic and numeric indices, experience rating ledgers) for accounting and coverage purposes; and (2) to prepare material apprising an employer of his liability under the law. The file was then used primarily in the repetitive mass addressing of employer reports and periodic statements of obligations of employers, and in accounting. The tabulating card file was used in the addressing of employer charge notices.

Employment of the two distinct systems was made necessary by two factors. First, the addresses which were appropriate for experience rating charge purposes did not necessarily coincide with addresses needed for accounting requirements—the two files were not in step—and second,

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the addressograph installation was already used full time and could not be used for additional obligations required under the changed merit rating system enacted in New York in 1951.

The problem involved was one of volume and scheduling. The addressograph installation was already used in addressing 3,200,000 forms a year—representing one complete run of the file on a quarterly basis to send reporting forms to employers liable for contributions—and the equivalent of one additional run for diverse accounting and promotional applications. In addition, the maintenance of the file—which involved 60,000 accessions a year, a similarly large number of deletions, and tens of thousands of address changes—made additional use prohibitive. With the advent of the reserve-ratio experience-rating system involving individual benefit charges to the employers, notification of which under the New York law is required to be given weekly, an additional 65,000 employer notices a week (250,000 different charges) or 3,380,000 notices a year would have been required. Even if the volumes were to permit this, the regular normal scheduling only charges, required weekly, would have interfered with the quarterly addressing cycles for accounting purposes and would have made it most impracticable if not impossible to use the addressograph file for all purposes.

With the conversion of the tabulating card address file to magnetic tape in 1962, serious consideration was given to using one magnetic tape address file for all addressing operations. Before this could be accomplished, however, it was necessary to validate the adaptability of the combined files for all employer addressing. The medium used for this purpose was the 1963 tax-rate notices which were addressed by the computer and checked against the up-to-date employer accession file (the file which at any given moment indicates in relation to any employer his most recent historical status and his most current known address). Where the addresses differed because of accounting requirements, a supplemental name and address magnetic tape file was created. The validation of the magnetic tape address file was completely successful.

Choosing Equipment

The Division, after establishing that a single magnetic tape address file with a supplement could be used for all purposes, carefully investigated the kinds of equipment which were available to satisfy its desire for an addressing system competent to handle all addressing and leading to the elimination of the conventional addressograph installation. Among other things, the Division also considered the possibility of addressing labels which in turn would be put on different forms. Because of space and use limitations, this approach was discarded.

Before the addressograph heat transfer equipment was finally selected, consideration was given to one other similar machine. However, the platen on this equipment could not accommodate any copy which was wider than 3 inches, thereby accounting for 30 characters; or deeper than 1 inch, and limiting the operation to 4 lines. In addition, the equipment could not produce heat transfer masters "3 up" (this could only be done if labels could be used, which was not feasible under the planned approach). Furthermore, at the contemplated cost, the Division would have been limited to one machine, and no backup whatever.

On the other hand, the addressograph-multigraph equipment could provide a platen width up to 6 inches (60 characters) and a depth of up to 1⅝ of an inch, permitting up to 7 lines. If needed, this could be expanded further by the use of an additional platen. Also two machines were provided so that there is ample backup service should excessive downtime occur. ("Downtime" is the time interval during which a device is malfunctioning.)

The question also arose as to the best way to introduce the address onto the magnetic tape address file. Previously, as a byproduct of the creation of initial control files, a paper tape perforating process was used in conjunction with the existing addressograph installation to emboss automatically an addressograph plate which then became the mass address file for employer accounting purposes. The plate impression thus prepared was then edited for key punching so as to become a part of the tabulating card address file for employers' experience-rating charge purposes. The process involved the costly operation of duplicate preparation of input and the maintenance of two separate files.

It should be remembered that creation of initial controls had to be continued with the concomitant notification of liability to new employers. Therefore, at the least, a temporary addressograph

plate was needed. During its research, the Division of Employment looked for a system that could, in a single step, provide for the input necessary to create original controls and which would at the same time produce input for the mass address file.

The Division found this was possible through the use of appropriate paper tape perforating equipment which can produce two separate paper tapes simultaneously. One tape is used as an input to the automatic graphotype which creates the temporary addressograph plate to establish the initial control files, and to address initial forms to the employer advising him of his liability under the UI law. The other is a separate paper tape which can be used to create or update the mass address magnetic tape file.

Advantages Gained

In the process the Division eliminated three key punch operator positions. Even more important, a time lapse of about 10 days was eliminated between the time the addressograph file was first created and when the magnetic name and address file was previously updated. The removal of the time lapse forestalled the possibility that an accounting transaction would be recorded before an address was available for mailing notices of that transaction to an employer. This situation had presented somewhat of a problem because the method for informing the employer of the Division's action was performed manually with attendant delay.

Perhaps the most significant achievement resulting from the employment of the *magnetic tape-heat transfer* system for all addressing is that an address is always on file and available. The magnetic tape file is complete as of any given date. Another important accomplishment is flexibility in the use of the magnetic tape address file as the computer is competent to select different universes for whatever purposes the Division may require.

The process of selection that was available to addressograph through the medium of pulling plates for a desired universe has been vastly improved because the selection process is now electronic and does not require manual plate pulling or refiling, with the possibility of misfiling documents or plates. Before, when selective file use was required, a person, at very best, could be expected to pull and refile no more than 50 plates per hour. Now 27,000 address masters can be selected within the same time for heat transfer by the computer.

Currently, forms of any size can be addressed on a uniform basis at relatively high speed without the subsequent need for separation or collating of documents. For example, in a distribution of promotional material to stimulate placement—with a breakdown on either a geographic, industry, or size basis—the heat transfer printer can address a variety of documents differing in size and format, something not practical through the use of continuous forms normally appropriate to computer addressing. A specific illustration is provided in processing the form used by New York for reporting contributions on a quarterly basis. The form has four pages and measures 8½ x 10½ inches. Although the form could be redesigned as a continuous form, the cost of computer printing time might well be prohibitive; the flexibility which is currently available with the heat transfer printers would no longer exist; and the envelopes could not be addressed.

Heretofore, the addressograph installation was used primarily for accounting purposes. With the introduction of the transfer printer our addressing operations have been expanded to include research, placement, and public relations releases. Experience to date has been excellent. Downtime has been practically nil. Changeover time is relatively short and the operation does not require a technician from the equipment manufacturer to attend to routine repair and maintenance.

When compared to the Division's installation of data processing equipment in 1961 (7070, complemented by 1401) with its revolution in the accounting system, delinquency control, experience rating operations, and benefit payment application, utilization of heat transfer was less spectacular.[1] Yet the operation has exceeded expectations and it is believed that its possibilities in the area of addressing are almost without limit.

[1] See "EDP Improves Contributions Process in New York," *Unemployment Insurance Review*, January–February 1965.

Issues Reflected in Recent Appeals Decisions*

Self-Employment: Bar to Benefits?

MANY unemployed workers look upon self-employment as a means of income maintenance. Some wage earners are seeking "something steady" or have a desperate need for income because of impending unemployment. On the other hand, some employed workers, out of optimism or the desire for improved income, may leave a job to start their own business. The venture may be started and continued merely as a side line while the worker's principal interest continues to be his regular job. Studies have shown, however, that the odds against a new business lasting 10 years are 5 to 1; the death rate of business concerns has been found to be especially high during their first 2 years.[1]

Some of these "first-time" businessmen, not knowing what it takes to run a business, eventually file for unemployment compensation and then find that they may not be eligible for benefit payments. Determinations of eligibility in these cases illustrate the questions that arise and the different concepts that exist as to whether a self-employed claimant has removed himself from the protection of a State unemployment insurance law.

The progress of a claim through the various levels of adjudication in Mississippi demonstrates some of the varying views. The Mississippi Supreme Court (*ESC* v. *Houston W. Medlin*, No. 43,328, 2/8/65 (CCH, Miss., Par. 8150)) had occasion to consider the case of a claimant who left his full-time employment of some 6 or 7 months' duration to go into business for himself, first operating a curb market to sell fruit and produce and later peddling these products from a truck. After about 3 months, he decided that this venture was not a success, and he began to seek employment.

The Mississippi Board of Review, in disqualifying the claimant as having voluntarily left work without good cause, stated, in part:

"Where an individual is possessed of a suitable job, such as the claimant here was, and where he gives it up to become self-employed he, and not the unemployment fund, assumes the risk. Claimant was, of course, within his rights in giving up his job and undertaking the venture that he did undertake, or any other for that matter; but it was never intended that the statute would underwrite such a venture."

The Circuit Court of Union County (No. 2947, 2/13/64) reversed the decision, said that it was contrary to law and fact, and commented:

". . . Petitioner voluntarily removed himself from employment as a laborer to engage in a business and free enterprise; that this great country was founded on such free enterprise and individual initiative; that this petitioner genuinely went into business for himself, actually renting a building in downtown New Albany, Miss., made it operable, bought a truck and engaged in a year-round business actually making a profit therefrom; that after said business closed the petitioner returned to the labor market. . . ."

Upon further appeal by the Mississippi Employment Security Commission, the State supreme court reversed the judgment of the circuit court, and reinstated the decision of the board of review. Distinguishing between unemployed wage earners and persons who had been self-employed, the court said:

"In today's complex industrial society, numbers of our people are wage earners employed by others, rather than self-employed. Through the operation of economic forces over which they have no control, these workers are subject to hazards of involuntary unemployment through no fault of their own. The purpose of our State unemployment compensation act is to protect against the crushing consequences of unemployment those persons in the labor market who stand willing and able to work, but through no fault of their own are unemployed. . . . The purpose of this act is not to protect persons self-employed, who have a better opportunity to protect themselves from unemployment. Only wage earners can become eligible for unemployment compensation benefits. . . .

"Although self-employed persons are not ordinarily eligible for unemployment compensation benefits, appellee

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[1] See "Want To Be Your Own Boss?" in *Occupational Outlook Quarterly*, Vol. 9, No. 1, Feb. 1965 (page 12), Bureau of Labor Statistics, U.S. Department of Labor.

urges that if a self-employed person has left employment which qualified him for unemployment compensation benefits to go into a self-employment venture, then upon the failure of the venture such person should be eligible for workmen's [unemployment] compensation benefits. We see no sound basis for this distinction.

"By voluntarily removing himself from the labor market to enter self-employment, appellee removed himself from the class of persons entitled to be protected by the unemployment compensation act. . . ."

The court noted that the earnings which would purge a disqualification for voluntarily leaving work without good cause cannot be money earned by self-employed persons, but must be ". . . consideration paid by an employer to an employee for services rendered by the employee to the employer."

A Nevada decision (Appeals Referee Decision A–13–397, Feb. 12, 1965, Unp.), in denying benefits in an individual claim, suggested that under certain circumstances a person may have good cause voluntarily to leave suitable employment to go into business. The claimant had been employed as a quality control man for 2 months. He left that work to go into business for himself but became unemployed when the business venture fell through because of lack of funds from his partner. Although given an opportunity, the claimant did not provide information about the nature of the business or the degree of planning that had gone into it. Referring to the underlying principle that a claimant might have good cause under such circumstances, the referee gave the following explanation:

"There is authority to the effect that an individual may have good cause to voluntarily leave suitable employment to enter into a well-planned and financed self-employment venture, and no disqualification is in order when the endeavor fails because of some unforeseen and unavoidable circumstances."

The referee then cited the claimant's failure to explain the nature or history of his business undertaking and stated:

"Under these circumstances this tribunal must sustain the findings of the department determination in holding that the claimant's business venture was hastily conceived, improperly planned, and faultily financed; as a reasonably prudent person would not have quit his employment for such a dubious business proposition within the purview of the Nevada law."

It should be noted that the latitude suggested by this decision does not exist when a State unemployment insurance law provides that good cause for leaving is not sufficient to avoid a disqualification unless the cause is attributable to the employer. The adequacy of planning and financing the business venture is not pertinent. Such a provision was involved in an Oklahoma referee's decision (184–AT–65, Jan. 21, 1965, Unp.) concerning a claimant who had worked as a cook in a restaurant until she left to accept a lease on a restaurant which she operated as her own business. The operation continued from April until the latter part of November, when she had to give up the lease and abandon the business because the property was taken over as part of the right-of-way for a new highway. The claimant had performed satisfactorily on her previous job as a cook and made clear that she would have remained at that employment except for her decision to go into business.

The referee's decision cited the Oklahoma statutory provision and explained the necessity for a disqualification:

"It is to be noted that this section provides that there must be a substantial reason in connection with the job itself that prompted the leaving of work. The claimant's testimony shows that she did not leave the job because of any dissatisfaction with the work itself but only because of her desire to enter business for herself. It is, therefore, concluded that the claimant did not have good cause connected with the work for leaving her employment and the Commission's determination should be affirmed."

The issues to be resolved when unemployed persons try to enter self-employment in an effort to continue their income are demonstrated in a Connecticut decision, *Peter P. Micca* v. *Unemployment Compensation Commissioner* (Superior Court, Hartford County, Conn., Feb. 10, 1965; CCH Conn., Par. 8528). The claimant had been employed as general manager of an automobile sales agency. After separation from that work, he decided to start his own used car business. During August and a portion of September, the claimant had acquired a commitment for a lease to premises for his business and was waiting for a variance from the zoning board of appeals and for conclusion of negotiations with the finance company. While these negotiations were in progress, the claimant applied for work at two automobile agencies. He told the referee, however, that if negotiations for his business were successful he would have left any job that he might have obtained in order to operate the business.

The claimant was denied benefits by administrative decision based on a finding that he had not made a reasonable effort to find suitable work. He appealed that decision, alleging that he was seek-

ing work and that his efforts to establish his own business constituted a search for work.

The court noted the eligibility requirement that claimants may be paid benefits if they are ready, able, and willing to accept suitable work, and interpreted this to mean that a claimant who limits his availability for personal reasons is not available for work. The court then explained its denial of benefits to the claimant:

"The word 'employment' is defined by statute to mean 'any service . . . performed under any expressed or implied contract of hire creating the relationship of employer and employee.' Sec. 31–222(a)(1). The word 'wages' is defined by statute saying it 'means all remuneration for employment.' Sec. 31–222(b). A person must be available for all suitable employment and one who limits his availability for personal reasons is not available for work within the meaning of the statute. *Puter* v. *Administrator* (22 Conn. Sup. 96).

"From the foregoing, it seems quite clear that a person seeking self-employment is not exposing himself to the labor market, but has in fact withdrawn from it to become involved in his own enterprise. In such a case his earnings are not wages as defined by statute.

"In the case at hand, the plaintiff, in his appeal, claims his efforts to establish a used car business on his own was a bona fide effort on his part 'to engage in self-employment as provided in section 31–236 of the General Statutes.' A reading of this section shows an exception from ineligibility for benefits being 'to engage in self-employment when directed to do so by the administrator.' There is no claim made, nor is there any evidence, that the commissioner in this instance directed the plaintiff to establish a used car business and engage therein as 'self-employment.' The clear design of the statute is to assist wage earners out of a job who look for a job and are unable to find a job. In the case at hand, the plaintiff was not available for work in that he was not making reasonable efforts to find suitable work, and is not entitled to benefits."

The issue in an Idaho decision of the appeals examiner (Docket No. ESAO253–65, Feb. 9, 1965, Unp.) was to determine if the claimant's principal occupation was self-employment, which would have required denial of the claim. The 56-year old claimant had worked most of his life as a logger, usually on a piece-work basis, using his own saws and tools. He used his own pickup camper truck to haul gasoline and equipment and he sometimes lived in it while in the woods. In March the claimant was laid off by a major lumber company for which he frequently worked. He then obtained a seasonal job as a carpenter and, while so employed, joined as a partner with a man who had a contract to slash timber on a Forest Service project. This was completed in August and the claimant chose not to join the partner in another contract but to seek work as a faller. He found no such work but later accepted employment as a hooker. During his unsuccessful work search, however, he had bid on a Forest Service timber slashing job. This was awarded to him about the same time he accepted work as a hooker and the claimant chose to continue his salaried job until it was temporarily shut down due to wet weather in late November. The claimant then undertook the slashing contract on which he had posted a $250 completion bond requiring that the work be finished by the following August. His claims for unemployment benefits were filed in the winter when heavy snows prevented the slashing work, which could not be resumed until approximately June 1. He began to work, however, on February 8 when his application to a State institution was accepted. At the time of his hearing he anticipated forfeiture of the $250 completion bond, and indicated that this frequently was done when the bid had been too low for profit.

The referee noted various factors for consideration in such cases:

"A determination as to whether an individual's principal occupation is self-employment is usually based upon his past work experience, his present obligations, and his future plans, as well as such factors as his investment in self-employment, and evidence of effort to obtain other work."

* * * * *

"Although the claimant's plans at the time he left his self-employment were to return and complete this job, he did not have such an investment in the project as to make it unprofitable or prohibitive for him to enter into a permanent salaried position. It is not unusual for workers in some occupations, including some woods work, to work either in self-employment or as a wage earner, depending upon the availability of work. Considering all the factors, it is our conclusion that the principal occupation of the claimant in the instant case is not self-employment."

A different approach—not permitting so much latitude in consideration of facts, reasoning, or result—is typified by a decision of the Pennsylvania Unemployment Compensation Board of Review (Appeal No. B–64–5–E–314, Feb. 9, 1965, Unp.). The claimant was the only operator of a gasoline service station from June to October when, by reason of economic pressures, he voluntarily discontinued his business. Denying benefits, the Board explained:

"It is not the intent of the Pennsylvania unemployment compensation law to compensate those who engage in self-employment. The law makes it clear that the protection of the act is for 'unemployed workers.' It is clear that the claimant was a self-employed businessman. Therefore, when the claimant discontinued his business

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Unemployment Insurance Decisions*

'Twas the Night Before, etc.

Louisiana.—During an office Christmas party, at which intoxicating beverages were served, a bookkeeper drank too much. After the party, he removed a bottle of whiskey from the trunk of the company president's car. When he became aware that the president saw the action, the claimant replaced the bottle and remained to discuss the matter although he was told several times to go home, and that they would discuss it later. The following day the president discharged the claimant. The appeals referee found that the claimant did not intend to take the bottle of whiskey but was only looking for another drink. He disqualified the claimant for having been discharged for misconduct connected with the employment on the ground that "even though he was attending a company Christmas party where intoxicating beverages were served, he failed to control and conduct himself properly." (Decision of Appeals Referee, Docket No. 815–AT–65, Apr. 21, 1965.)

Cross Country

Delaware.—An electrician, originally a resident of Maryland, after completion of a job in Delaware, went to California where he worked until December 4. On January 11, when he had been unable to find employment, he reported to the employment office in Santa Ana, California, and on the same day left for Maryland where he arrived 3 days later, and where, 4 days after his arrival, he contacted his local union for the first time. A decision of the referee held that he was not available for work in the period after arriving in Maryland until he had reported to the union. The referee's reasoning was that the claimant's failure to contact his union in Maryland for several days "isn't the practical manner of handling the situation if one is seriously looking for work." Neither, reasoned the referee, could too much weight be given to the claimant's contention that he was available for work while he was in transit. Observing that the trip was made from California to Maryand in 3 days, the referee explained: "The claimant did not stay in one place too long traveling at such a fast rate, and with such speed it would be impossible for the claimant to make a bona fide effort to find employment anywhere between California and Maryland.* * *" (Referee's Decision, Appeal Docket No. 14744, Mar. 17, 1965.)

Age of Flight

Nevada.—After a very careful check of her age, made preliminary to the serving of hard liquor in flight, an airline stewardess who was only 20 (and, therefore, could not legally serve hard liquor) was discharged. At the time she had applied originally for this employment, she had indicated that she was 19 years of age when, in fact, she was only 18. A Nevada Board of Review decision held that the claimant's discharge was not for misconduct connected with her work. The Board noted that there was no wanton or willful disregard of the employer's interest and that the act which brought about the discharge was committed prior to employment and was not the act of an employee. It was the employer's right to discharge, the Board observed, but this was not construed as misduct. The Board had explained: "This tribunal does not look kindly on the claimant's willful falsification of her age. However, since the company has no absolute rule in force or effect that requires the discharge of all employees for misrepresentation of facts, and where, in other instances, discharge has been considered on the basis of the individual case, we see no reason that this case should not be considered on its individual merits." (Board of Review Decision, Appeal Case B–2141 (A–12–982) Mar. 18, 1965.)

Thanks for Nothing

Kentucky.—A laundry and dry cleaning company employee whose February 10 reemployment date was considered as beginning a new period of service, which would not take into consideration previous employment, was not given a Christmas bonus because of a rule that bonuses were to be given only to workers employed before February 1. Shortly after the claimant was advised that she would not receive a Christmas bonus, she called the president of the company, extended good holiday wishes, and thanked him for the bonus. Not knowing at the time that she was not to receive one, he thanked her for the call, but ordered her discharged after learning that the bonus would not be paid. The referee found it reasonable to conclude that she had made the call expressly for venting her discontent upon the president and that her act was one of contempt and disrespect constituting insubordination amounting to misconduct connected with her work. (Referee Decision AD No. 65–270, Mar. 22, 1965.)

Escape From Fear

New York.—Assaults by the claimant's husband and his threats to harm their three children and to take her life, persisted after he had been arrested four times for such assaults. Shortly after a further assault and threats to kill her and harm their children, the claimant left her job as a clerk-typist, and, with her children, moved to a different State to live with relatives. The referee did not disqualify the claimant. She left her work for compelling personal reasons that constituted good cause. The referee believed that she had done all she could to obtain protection by authorities, but the threats to her life and the safety of her children had persisted, and she had grounds to believe that they might be carried out. (Referee Decision #UCFE–916–64, Mar. 12, 1965.)

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Trends in the Economy*

THE uptrend in the Nation's economy continued in February, with virtually all significant indicators showing a favorable pattern. Industrial production, personal income, and retail sales advanced above their already record levels, while employment, rising about seasonally, was nearly 1.5 million above the year-earlier volume. Unemployment, however, edged up over the month. The unemployment rate (seasonally adjusted) rose from 4.8 percent of the civilian labor force in January to 5.0 percent in February. This slight rise reflected a somewhat larger number of persons entering the labor force than was normal in February. Most of the jobless increase was among adult women.

Business Activities

Industrial production in February reached a record high of 138.8 percent of the 1957–1959 average. January's figure was 138.1 percent, while the February 1964 index was 128.2 percent. Over-the-month increases occurred in both industrial and consumer goods. An even greater rise would have been achieved had not bad weather caused the closing of some automobile plants during the month. The auto production index in February was 179 percent of the 1957–1959 average, as opposed to 182.8 percent in January. Despite slackened output, however, a February auto record was posted, with 771,800 cars assembled during the month.

Primary metals production continued high. The February index reached 138 percent, compared to 136.9 percent in January and 114.5 percent a year ago. Steel production in February was at a weekly average of 2.7 million tons. The industry is now running close to effective capacity, and demand exceeds supply in many areas.

For all manufacturing industries, the production index moved up to 140.3 percent from 139.4 percent in the preceding month. Factory output of durables advanced from 141.3 to 142 percent, and the nondurables index rose from 137.1 to 138.1 percent. Utilities volume was up from 155.5 percent to 156.5 percent and mining, from 112.4 to 112.5 percent.

According to the February survey of capital investments (made jointly by the Department of Commerce and Securities and Exchange Commission), businessmen are planning to increase their 1965 *spending for new plant and equipment* by 12 percent over last year's $44.9 billion. Outlays during 1965 are expected to pass the $50 billion mark for the first time. All major industries (except nonrail transportation which includes aircraft manufacturers) plan higher rates of spending during the second half than in the first half of the year. Manufacturers as a whole are planning a 16-percent increase during 1965, compared with an 18-percent rise in the preceding year. Nondurable goods producers have scheduled an 18-percent rise—the only major segment of business to project a larger advance in 1965 than its actual 1964 increase (their outlays in 1964 were 17 percent above the 1963 figure). Durable goods makers anticipate a 14-percent rise (last year's increase was 20 percent). The pace setters in manufacturing are expected to be the primary metals, textiles, machinery, electrical equipment, petroleum, and chemical industries. Prospective gains in major nonmanufacturing industries range from 5 to 15 percent.

New orders for durable goods declined slightly from January to a February total of $21.1 billion (seasonally adjusted). Moderate increases in orders for most products were more than offset by reductions in bookings for furniture and for machinery, both electrical and nonelectrical. The sharpest fall (9 percent) was in orders for electrical machinery—reflecting a large drop in the communication sector equipment.

Shipments of durable goods showed little change from January; the annual rate was $20.5 billion, compared with $20.6 billion in the preceding month. Transportation equipment and fabricated metals each showed a 3-percent increase in shipments, but these were offset by decreases in shipments of other major products, especially machinery.

As orders outpaced shipments, *the backlog of unfilled orders* increased somewhat to $54.8 billion (seasonally adjusted) from $54.2 billion in Jan-

*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

uary. Increases in order backlogs were shown for most major industries, but the rise in the primary metals backlog (6 percent) dominated the over-the-month change.

Personal income reached an annual rate of $510.7 billion in February (seasonally adjusted), up only slightly from January. However, the January increase was unusually high because payments of Government life insurance dividends to veterans were concentrated in that month; normally, they are scattered over the year. The wage and salary component advanced $2.2 billion to an annual rate of $346.9 billion. The factory payroll level rose by $800 million; the strongest gains were in the metals, machinery, and transportation equipment industries. Most other components rose moderately or stayed at January levels.

Consumer buying reflected the rise in personal income. *Retail sales* volume, at $23.0 billion (seasonally adjusted), was up 1 percent from the January level and 7 percent from February 1964. Sales of nondurable goods, up by 2 percent, accounted for all of the overall rise from January. Both durable and nondurable components were 7 percent above their year earlier figures.

Spending for new construction reached an all-time monthly high in February. At an annual rate of $67.7 billion (seasonally adjusted), outlays were $1.1 billion above the preceding month and $2.2 billion higher than a year earlier.

The seasonally adjusted annual rate of *private housing starts* (including farm units) declined from 1,466,000 units in January to 1,422,000 in February. This was 14 percent below the year-earlier figure and was the lowest rate since January 1963. The decline in February starts was most pronounced in the South, where the adjusted annual rate fell to 578,000 units from 772,000 the month before. A lesser decline occurred in the North Central States, but there was some pickup in the Northeast and in the West.

Local building permits for future housing were issued at an annual rate of 1,272,000 in February, compared with 1,312,000 in January and 1,404,000 the year before. Permits were down 3 percent over the month for single-family dwellings and 4 percent for apartment dwellings.

The *consumer price index* in February remained at January's record high 108.9 percent of the 1957–1959 average, up 1.3 percent from February 1964. While most components reported price rises, these were offset by lowered transportation costs. The index of used car prices dropped to 121.7 percent from January's 123.7 percent, while new car prices edged down from 101.5 percent in January to 101 percent. Automobile prices normally drop at this time of year as dealers begin to offer more generous terms when the model year moves into its second half. Higher maintenance and insurance costs on cars partly offset the savings on car purchasing while the index of housing costs moved up from 108.1 to 108.2 percent. The food price index remained constant at 106.6 percent.

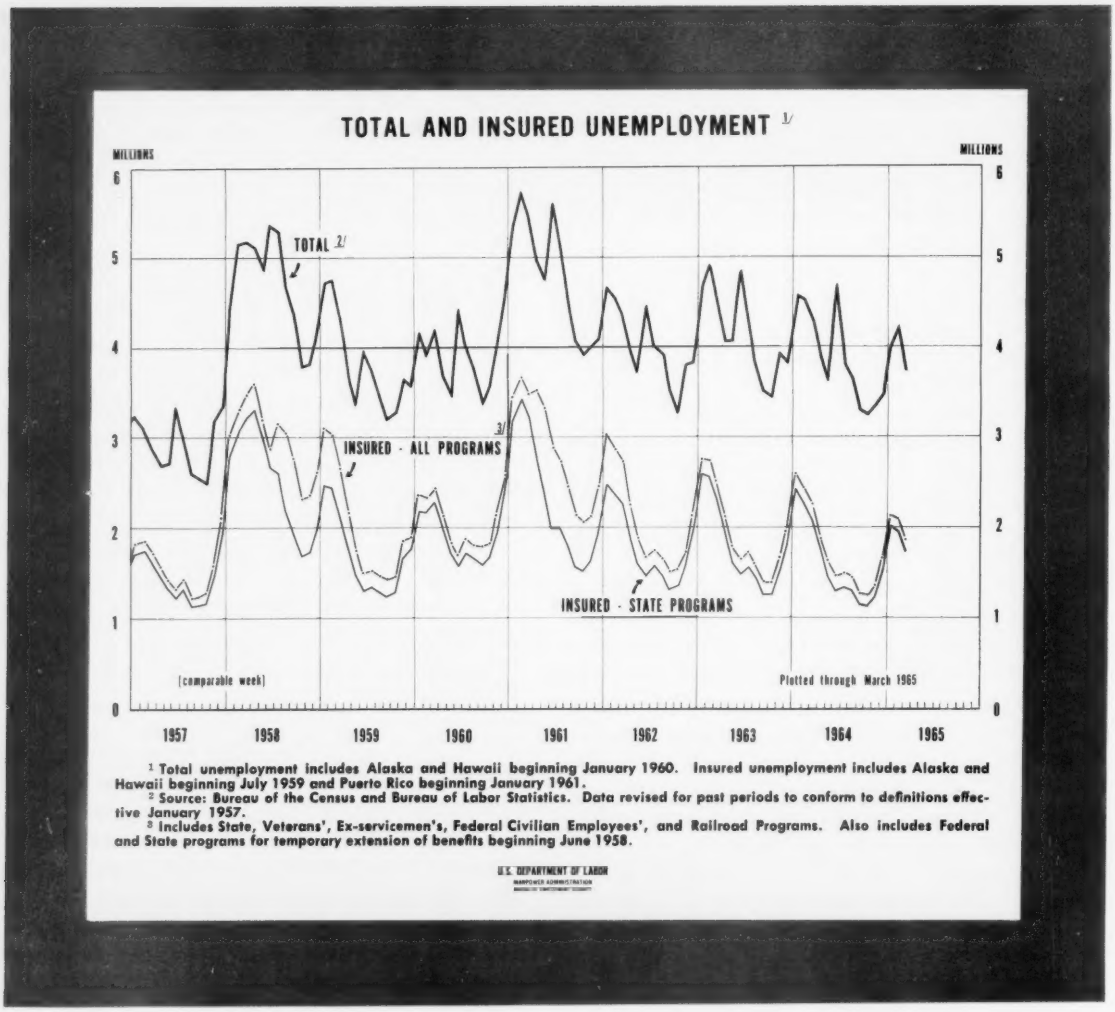
Employment

Total civilian employment in February came to 69.5 million (unadjusted)—up by about one-half million from the preceding month. Virtually all of this rise, which was about usual for the time of year, occurred in nonfarm industries. Employment in the agricultural sector also increased over the month, and the rise was better than seasonal.

Nonfarm payroll employment continued the up trend of recent months, with especially noteworthy gains in the metal industries. In the 5-month period from September through February, employment increased by 1.1 million (seasonally adjusted); the major part of the rise occurred in the manufacturing, trade, and construction industries.

Manufacturing employment was at the highest February level since the peak period of the Korean conflict. The seasonally adjusted volume reached 17.8 million—about 50,000 higher than in the preceding month and nearly 600,000 above a year earlier. In durable goods, all of the industry groups either showed increases (seasonally adjusted), or remained at the January level. The largest gains were in fabricated metals, electrical equipment, and transportation equipment. Compared with a year earlier, durable goods employment was up by 460,000; over 90 percent of the over-the-year gain occurred in the metal and metal-using industries. In the nondurable industries, total employment (seasonally adjusted) showed little change between January and February but was up by 126,000 from a year earlier. The largest over-the-year gains were in the apparel, printing-publishing, and rubber products industries.

Contract construction employment, totaling 3.3 million (seasonally adjusted) in February (118,000 above a year earlier) was at the highest monthly level on record.


TOTAL AND INSURED UNEMPLOYMENT 1/
MILLIONS
MILLIONS
6
5
4
3
2
1
0
TOTAL 2/
INSURED - ALL PROGRAMS 3/
INSURED - STATE PROGRAMS
(comparable week)
Plotted through March 1965
1957
1958
1959
1960
1961
1962
1963
1964
1965
1 Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959 and Puerto Rico beginning January 1961.
2 Source: Bureau of the Census and Bureau of Labor Statistics. Data revised for past periods to conform to definitions effective January 1957.
3 Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.
U.S. DEPARTMENT OF LABOR

The *average workweek* in manufacturing remained in February at the post World War II peak of 41.4 hours (seasonally adjusted). Average factory overtime during the month came to 3.3 hours—0.1 hours above the January figure and the highest February level on record. *Average hourly earnings* were unchanged from January at $2.59; but with hours up slightly, average weekly earnings rose from $105.93 to $106.19 over the month. A year earlier, they were $101.15.

Unemployment

Total unemployment rose over the month by about 200,000 to 4.2 million; the major part of the increase was among adult women. The seasonally adjusted unemployment rate moved up to 5.0 percent from 4.8 percent in January.

The jobless rate for adult men in February, at 3.6 percent, was virtually unchanged from the relatively low level of the preceding 3 months, but was significantly below the 4.1 percent figure of a year earlier. The jobless rate for the 14–19 year olds, which had been about 15 percent in December and January, fell to 14.4 percent.

Among the jobless were 1.1 million people out of work 15 weeks or more—up about 200,000 from January, but 100,000 less than February a year ago. About 434,000 persons were unemployed 6 months or longer—76,000 fewer than a year ago.

Insured Unemployment Activity*

STATE insured unemployment continued to decline more than seasonally in March, when it dropped by 214,200, or 11 percent, from February to a weekly average of 1,718,000. This level was some 331,800 below that of March 1964. The over-the-month decline was due largely to the spring pickup in construction and other outdoor work, and to reduced unemployment among workers in the apparel, textile, and leather industries. On a seasonally adjusted basis, insured unemployment dropped below the 1.4 million mark reached in February. A year earlier the adjusted level was 1.6 million.

Insured unemployment under the two Federal programs also moved down during March. The average weekly number of unemployed ex-servicemen under the UCX program declined from 53,400 in February to 48,700 in March, while the total of jobless Federal workers (UCFE program) fell from 33,900 to 31,000. A year earlier, those volumes were 67,400 and 37,500, respectively.

The rate of insured unemployment (not seasonally adjusted) moved down from 4.5 in February to 4.0 percent in March. This compared with 4.9 percent in March 1964. Alaska, as usual for the time of year, had the highest rate this March (13.4 percent), followed by North Dakota (9.1), Montana (7.3), and Puerto Rico (6.9). In four of the large States, rates were above the national average—6.5 percent in California, 5.1 in Massachusetts, 5.0 in New Jersey, and 4.8 in New York. Rates were 2.5 percent or less in six States and the District of Columbia, including such large States as Indiana and Texas. The lowest rates this March were reported by Virginia (1.8 percent), Florida (1.9), and the District of Columbia and Georgia (2.2 in each).

Insured Unemployment Declines in Every State

All States, Puerto Rico, and the District of Columbia reported declines in insured joblessness between February and March. Decreases were relatively small in most cases, but ranged from 11,000 to nearly 32,000 in six States—New York, Pennsylvania, California, Ohio, New Jersey, and Washington.

New York reported the largest reduction in insured unemployment volume—31,700 or 11 percent—which lowered the State's total to 246,100. Nearly half of this more-than-seasonal drop was among factory workers (mainly those employed in the apparel, textile, leather, and miscellaneous manufacturing industries). About a third of the decline resulted from job expansion in the contract construction industry. From March a year ago, insured unemployment in New York was down by 39,000. More than two-thirds of the drop was in manufacturing—reflecting less unemployment in the apparel, machinery (both electrical and nonelectrical) and textile industries.

Pennsylvania's insured joblessness averaged 110,400 in March—about 18,200 or 14 percent below the February figure. This greater-than-expected drop occurred mainly among construction workers. Compared with a year earlier, insured joblessness was 59,500 lower, with nearly three-fifths of the reduction among factory workers, chiefly in the primary metals, apparel, electrical machinery, and food processing industries. In the nonmanufacturing sector, trade and services accounted for much of the decrease.

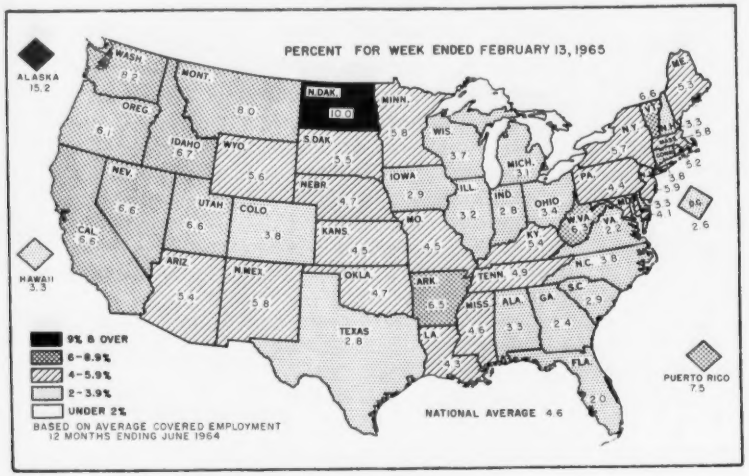
Insured joblessness in *California* fell by 14,400 from February to 279,300 in March. Most of the decline was among workers from the construction, lumber, apparel, and textile industries. California's jobless total this March was 12,700 higher than a year earlier, and all of the increase was in nonmanufacturing industries.

Ohio's drop in insured unemployment of 13,300, or 17 percent (more than twice the usual rate of decrease between February and March) lowered the State's total to 67,100. In addition to a seasonal pickup in the construction industry (accounting for nearly one-half of the decrease), reduced joblessness among workers from most of the manufacturing industries contributed to the decline. The insured unemployment level this March was 29,500 below that of a year ago mainly because of less joblessness in the contract construc-

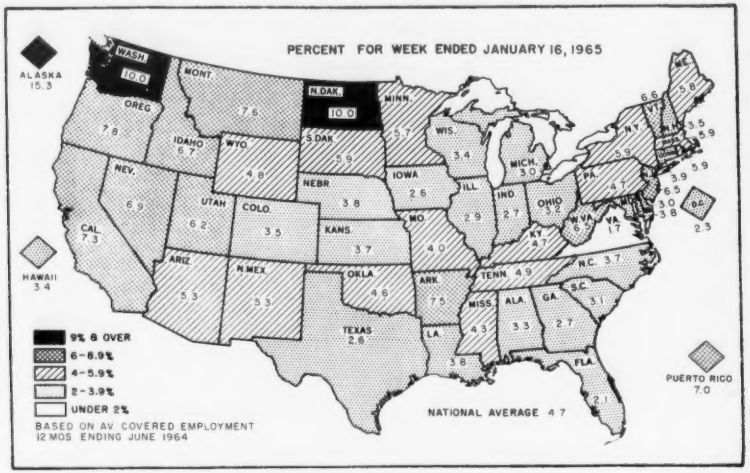
*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

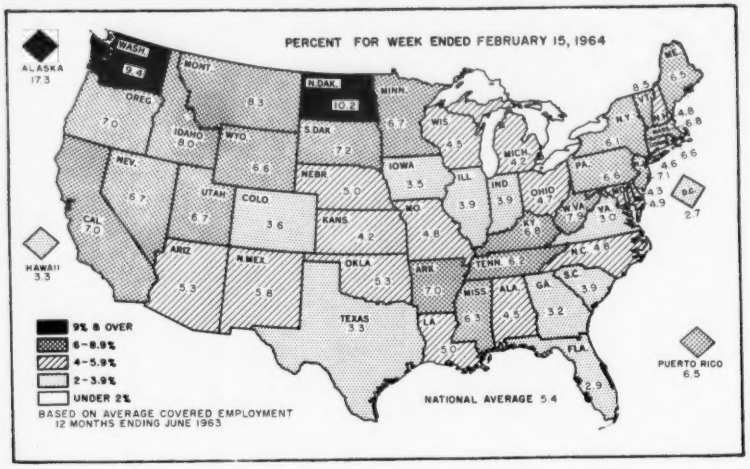
LATEST MONTH



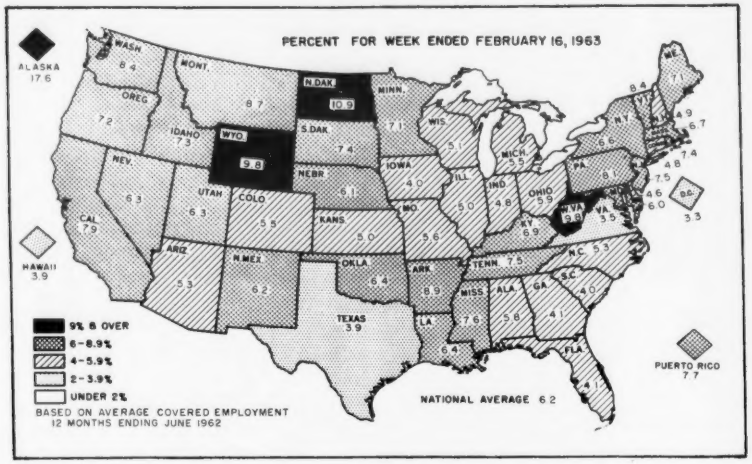
PREVIOUS MONTH



ONE YEAR AGO

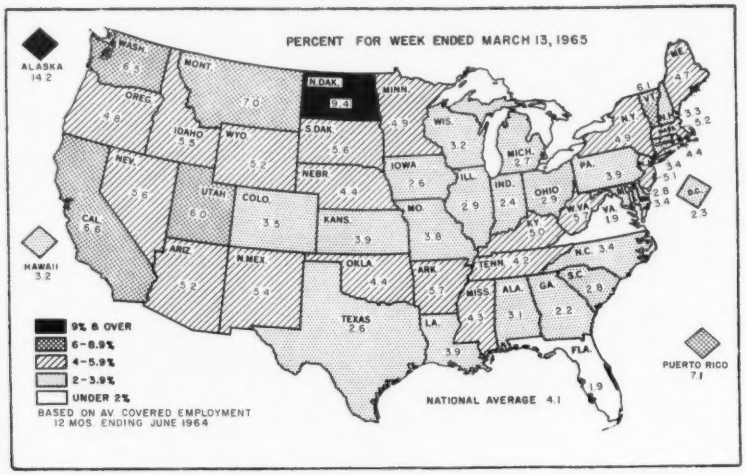


TWO YEARS AGO

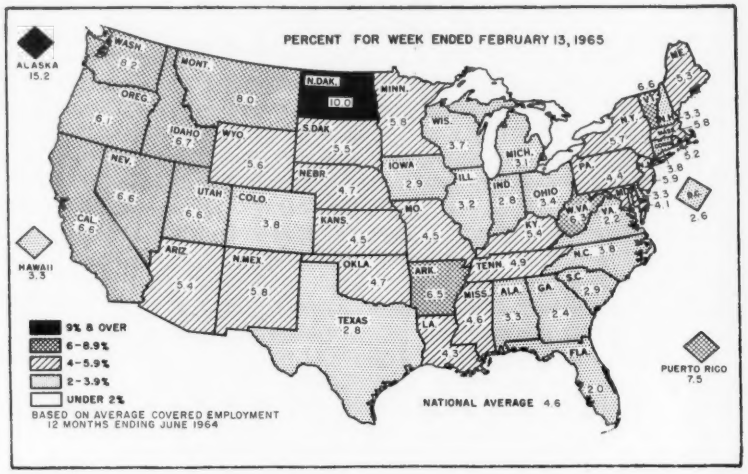


STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

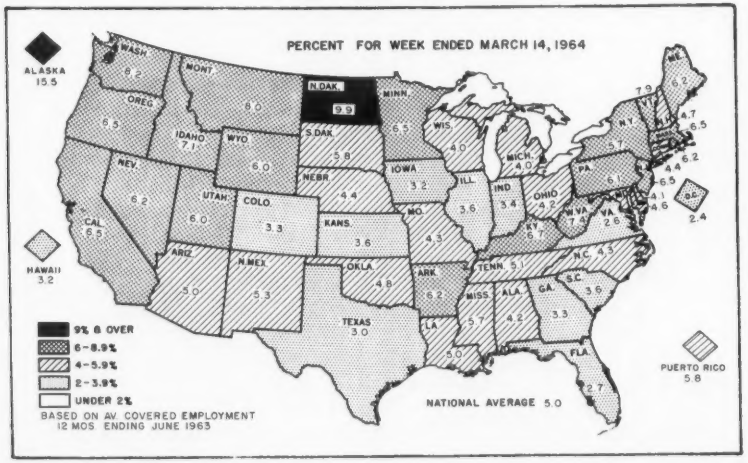
LATEST MONTH



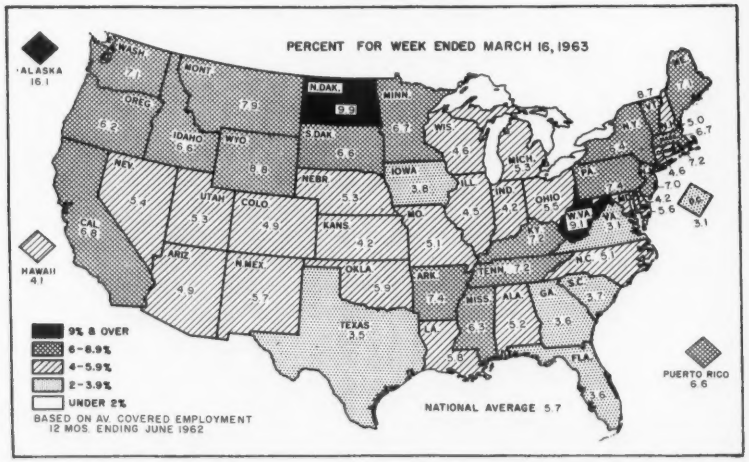
PREVIOUS MONTH



ONE YEAR AGO



TWO YEARS AGO



Week ended—	Initial claims [1]		Insured unemployment [1]	
	1965	1964	1965	1964
February 6	320, 200	326, 400	1, 944, 500	2, 246, 100
February 13	268, 600	282, 600	1, 962, 100	2, 275, 800
February 20	262, 000	285, 900	1, 912, 500	2, 242, 900
February 27	225, 600	269, 000	1, 910, 400	2, 208, 300
March 6	242, 200	271, 600	1, 837, 400	2, 161, 500
March 13	222, 100	265, 300	1, 754, 800	2, 104, 900
March 20	208, 700	248, 100	1, 697, 700	2, 011, 800
March 27	212, 700	248, 600	1, 653, 800	1, 977, 500
April 3	226, 500	264, 900	1, 599, 200	1, 910, 000
Weekly averages				
February	269, 100	291, 000	1, 932, 300	2, 243, 300
March	222, 100	259, 000	1, 718, 100	2, 049, 900

[1] Refers to State programs only.

tion, trade, electrical machinery, primary metals, and fabricated metal industries.

A more than seasonal decline (12,000) in *New Jersey* brought the State's March total down to 81,600. Factory workers accounted for over one-third of the decline and another third was among workers from the construction industry. Compared with a year earlier, insured joblessness was down more than 20 percent. Approximately three-fourths of the decline was in the manufacturing sector.

Washington's insured joblessness totaled 38,800—down by 11,100 or 22 percent from February. Less unemployment among workers in the construction and trade industries was responsible for about half the drop and nearly a third was among workers from manufacturing industries. Insured unemployment in the State was down by 11,800 from March 1964.

In Illinois, Massachusetts, and Michigan, insured unemployment registered no significant changes from the February levels, but showed sizeable over-the-year reductions of 18,900, 21,000 and 20,300, respectively.

Initial Claims Decline About Seasonally

Unemployed workers filing initial claims under State programs in March averaged 221,000 per week—down 47,000 from February and 36,900 below the year-earlier level. The March decline, about seasonal, was attributable to fewer claims filed by workers in construction and other outdoor activities as well as to a pickup in trade. Under the UCX program, initial claims averaged 5,630 per week this March—some 347 less than in February. Jobless Federal workers filed an average of 2,200 such claims per week—about 462 less than in the preceding month.

Claimant Exhaustions Show Usual Rise in March

Following the usual February–March pattern, the number of persons exhausting their State benefit rights advanced from 101,900 to 117,000. A year earlier, exhaustions numbered 139,900. Exhaustees this March accounted for about 9 percent of the estimated 1.3 million persons who dropped out of State unemployment insurance programs during the month. Most of the remainder of the dropouts presumably were recalled to work, found new jobs, or left the labor force, while others may have been disqualified from the receipt of benefits.

Benefit Payments Rise in March

A total of $294.9 million was paid in benefits under all regular unemployment insurance programs in March—$29.1 million above the amount

Activity [1]	Number or amount March 1965	Percent change from—		January-March cumulative (in thousands)	
		February 1965	March 1964	1965	1964
Initial claims [2]	1, 009, 100	−8. 3	−11. 1	3, 562	4, 165
Weeks claimed [2]	8, 077, 600	+1. 4	−12. 5	24, 222	29, 295
Insured unemployment (weekly average) [2]	1, 718, 100	−11. 1	−16. 2	1, 876	2, 231
Beneficiaries (weekly average)	1, 631, 300	−3. 4	−13. 6	1, 661	1, 965
Benefits paid [3]	$273, 371, 800	+11. 2	−6. 6	$767, 116	$897, 268
Claiment exhaustions	117, 000	+14. 8	−16. 4	423	404

[1] Data relate to State programs only.

[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico surgarcane program.

[3] Monthly figure represents gross amount; cumulative data represent net amounts.

in the preceding month, but $20.7 million below the March 1964 total. Benefits under State programs this March amounted to $273.3 million—$27.7 million more than in February. Under the railroad program, benefits amounted to $8.0 million and under the two Federal programs, an aggregate of $13.5 million.

The average weekly benefit check for totally unemployed workers covered by State programs came to $37.41 in March—2 cents more than in February and $1.15 more than a year earlier. Among the States, the average payments varied widely, ranging from less than $25 in Mississippi, North Carolina, and Puerto Rico to more than $44 in Colorado and Wisconsin.

Approximately 7 percent of all benefit checks in March were for partial unemployment—about the same as in February. This proportion ranged from 1.6 percent in Indiana to 14.7 percent in Georgia and 17.9 percent in North Dakota. The average benefit check for partial unemployment was $22.55—compared with $22.81 in February.

Issues Reflected in Recent Appeals Decisions

Continued from page 26

he did not become an unemployed employee but, instead, an unemployed businessman."

These cases demonstrate the different existing views concerning the effect of self-employment on benefit eligibility. Is unemployment following self-employment different from that occurring after employment for wages? Is there greater opportunity for a self-employed person to protect himself from unemployment? Should such differences, if they exist, be considered in determining the eligibility of workers who have wage credits and are at the time of claim neither self-employed nor employed? Is the general program purpose of unemployment insurance served better by interpretations that eliminate benefit eligibility for persons whose unemployment followed self-employment, or for persons who left their jobs to become self-employed? Would a more liberal policy dealing with the issue of self-employment eliminate the need for some unemployment insurance claims by making self-employment ventures more attractive to claimants?

Since unemployment following failure to engage in self-employment is not compensated under some statutory provisions, is there any suggestion that seeking self-employment is a method of terminating unemployment that may be considered as much a part of availability as seeking employment?

Selected Unemployment Insurance Statistics, State Programs, January 1965

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending January 31, 1965 (in thousands)		Funds available January 31, 1965 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total, 52 States	8/1452791	8/8176830	8/1995578	1667382	$57.18	104529	$82097555	$2454406	$3257798	$7149958
Alabama	17118	73462	18948	14117	26.25	1335	1533051	17825	35197	78391
Alaska	2979	15305	5014	4159	39.08	202	677421	5293	8678	10/ 11006
Arizona	11024	54804	14072	9976	37.67	841	1562294	14514	14945	65399
Arkansas	14052	83002	20924	13396	27.27	860	1494529	12881	13936	28240
California	197901	1263817	307745	264121	45.04	20009	50020079	9/ 515739	526240	617264
Colorado	10731	50468	13089	8628	44.96	417	1586411	12434	20150	56447
Connecticut	21112	126771	31551	25819	39.83	2149	4239440	45945	56946	177663
Delaware	3668	16809	4129	4014	36.88	271	601552	6887	10404	19449
Dist. of Col.	5165	26127	6926	5481	40.13	301	917118	9800	9544	62886
Florida	17954	88712	21642	18366	27.93	1578	1409430	23654	45894	156771
Georgia	20039	90914	23352	15573	29.88	1980	1732485	18968	37373	173535
Hawaii	3087	23232	6079	4987	39.05	289	772845	7491	11368	19654
Idaho	5171	34648	8583	6673	39.49	313	1055576	7660	9305	27748
Illinois	56934	317703	79505	65565	39.70	4746	10632256	108971	179866	482403
Indiana	38515	123940	30497	25930	31.50	2640	3283234	32634	48663	163662
Iowa	9150	47956	12082	8625	31.24	737	1088239	9840	14245	111858
Kansas	10089	53495	13754	10736	38.89	677	1719491	15519	16721	61873
Kentucky	18355	90567	23035	15397	33.59	1172	2065499	24476	30587	111347
Louisiana	20008	94114	21966	15793	31.42	1440	2012683	24539	34330	113195
Maine	5802	44102	10966	8913	24.70	544	893108	8746	12851	29984
Maryland	28099	124253	28958	25441	34.70	1828	3584441	33895	67996	146067
Massachusetts	51761	376401	91221	80961	41.21	4446	13030573	128224	139581	188932
Michigan	40272	228180	55730	44504	37.72	3002	6899214	75422	196438	10/ 424568
Minnesota	23995	166284	41344	31438	30.56	1837	3972996	35022	29297	20084
Mississippi	11947	53808	13239	10452	24.87	699	1064785	10574	20104	49625
Missouri	33235	157424	39795	28851	34.44	1875	3907689	35913	49868	220784
Montana	5935	32825	8454	6747	31.78	412	901802	7069	5816	19348
Nebraska	5683	34637	8812	7763	35.18	468	1129004	8632	10539	41407
Nevada	6274	31537	7944	7473	39.69	491	1219230	10225	13539	28772
New Hampshire	3801	23944	5593	4658	33.72	343	811013	6374	8218	25647
New Jersey	67533	413644	108838	93927	39.97	6085	15228130	145262	142511	279193
New Mexico	6388	32541	8419	6641	30.34	354	831079	6128	7740	34678
New York	202385	1231346	300894	292532	39.85	11807	46251021	399117	464244	1139409
North Carolina	55780	173361	37983	36217	23.34	1767	3402251	32751	49604	215669
North Dakota	3791	27011	7082	4945	39.01	264	810378	5586	5509	7203
Ohio	61063	310968	79813	58474	40.10	2778	9635758	100660	215661	286236
Oklahoma	12003	70612	17904	13348	27.04	1057	1483135	15138	19077	43586
Oregon	24215	140588	32997	27314	37.29	880	4192786	25849	38243	83296
Pennsylvania	114694	581138	139508	115536	31.45	4707	14510611	163873	296203	10/ 2288607
Puerto Rico	9/12199	8/126177	9/24439	11991	16.67	3018	895676	9/15720	19896	50252
Rhode Island	10795	61318	14653	12675	32.26	777	1642210	14281	21854	45513
South Carolina	15842	61114	14561	10584	27.83	1172	1197749	14257	21146	86466
South Dakota	2644	17357	4497	3183	31.76	256	408216	3181	2750	14855
Tennessee	29775	145390	35196	24547	28.09	1484	2797388	27608	41905	86265
Texas	39178	226916	50760	41901	30.20	5264	5196139	54781	61931	234034
Utah	7466	48945	12919	9479	39.44	562	1549081	12611	10937	38106
Vermont	3139	20619	5114	4192	35.33	175	589868	9/5750	4853	6587
Virginia	17032	60052	14785	10165	29.82	838	1252336	12639	25778	136008
Washington	33647	255668	66155	56315	33.58	2163	7847118	61265	59096	194264
West Virginia	16368	78942	19948	15085	25.44	687	1554283	14076	15391	56766
Wisconsin	30830	127802	32824	27595	42.72	1249	4854750	44194	49077	199714
Wyoming	2147	12859	3243	2177	39.94	83	355504	2812	6354	8447

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $957,523 in payments under extended duration provisions of State laws in two States: California $896,305 and Puerto Rico, $61,218.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund to: Alaska, $2,630,000 in January 1957, $2,635,000 in February 1958, $3,000,000 in July 1958, and $500,000 in January 1960; Michigan $113,000,000 in September 1958; Pennsylvania $96,440,000 in April 1959, $1,504,000 in May 1960, $4,056,000 in July 1960, $7,400,000 in March 1961, $1,800,000 in May 1961, and $800,000 in August 1961.
11/ Represents data on a "per employer" basis and is not strictly comparable with data for other States.

Erratum: In the January–February 1965 issue of the *Review*, table titles on pages 47, 48, 50, and 51 were shown incorrectly and should be amended as follows:

On pages 47 and 48, the month of reference in each table title should read December 1964 (not November 1964).

On page 50, the table title should read "Selected Unemployment Insurance Statistics, Federal Programs, November 1964."

On page 51, the table title should read "Selected Unemployment Insurance Statistics, State Programs, November 1964."

Selected Unemployment Insurance Statistics, Federal Programs [1]
January 1965

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	16,054	137,004	31,907	$5,085,601	$37.95	29,758	224,289	52,047	$7,970,634	$36.36
Alabama	347	2,266	485	58,669	28.83	545	3,895	821	104,881	30.41
Alaska	297	2,110	522	89,241	40.69	49	556	131	20,371	36.90
Arizona	305	1,976	536	83,500	37.11	416	2,447	583	92,000	37.55
Arkansas	317	1,597	207	25,224	29.03	333	2,598	482	62,722	31.00
California	1,750	23,081	5,778	1,188,979	47.50	4,361	38,056	9,512	1,677,617	41.42
Colorado	235	1,199	232	43,175	44.28	352	2,562	527	91,762	41.46
Connecticut	63	621	136	23,684	41.33	211	1,395	273	41,306	35.98
Delaware	21	183	29	5,152	41.89	64	396	84	13,984	39.73
Dist. of Col.	330	3,316	1,016	189,683	44.44	139	737	188	31,240	39.64
Florida	227	1,553	216	27,474	30.29	694	3,891	874	117,051	31.88
Georgia	325	2,467	547	74,861	32.58	376	2,460	574	80,634	33.43
Hawaii	114	1,162	355	62,508	41.98	156	911	210	38,781	43.92
Idaho	207	2,718	644	109,637	40.56	223	1,898	445	67,009	35.81
Illinois	495	3,569	885	130,451	35.08	1,017	5,753	1,294	194,479	35.80
Indiana	154	783	167	21,794	31.13	574	3,348	703	96,468	32.66
Iowa	42	361	69	8,314	28.77	314	1,609	396	51,246	30.83
Kansas	123	786	162	25,379	37.32	301	2,191	524	85,612	38.88
Kentucky	309	2,207	466	66,335	33.90	495	4,893	1,114	166,363	35.57
Louisiana	181	1,800	276	36,953	31.83	423	3,515	678	97,470	34.24
Maine	45	651	127	11,913	22.39	177	1,417	317	42,779	32.16
Maryland	289	1,509	255	39,089	36.43	612	2,657	561	88,519	37.56
Massachusetts	349	4,656	1,257	231,741	43.90	593	4,931	1,284	215,199	39.91
Michigan	347	2,464	514	74,838	34.70	1,067	6,199	1,337	184,580	32.86
Minnesota	233	2,057	511	56,048	26.12	589	5,864	1,432	209,112	34.77
Mississippi	204	1,708	459	50,689	26.28	170	957	221	26,164	28.22
Missouri	364	2,360	514	67,749	31.37	643	4,594	1,133	164,436	34.56
Montana	491	2,515	499	68,819	32.82	196	1,403	330	44,714	32.31
Nebraska	120	828	202	29,282	34.49	129	895	231	34,083	35.06
Nevada	83	531	112	19,074	40.58	140	670	144	23,586	38.92
New Hampshire	116	638	245	43,915	42.59	114	683	175	30,666	41.84
New Jersey	347	2,461	411	74,496	43.14	915	6,432	1,364	232,102	40.53
New Mexico	348	2,899	617	81,707	31.55	271	1,842	413	56,876	32.78
New York	1,227	9,339	2,141	351,875	39.14	2,029	13,686	3,266	488,697	35.62
North Carolina	326	2,510	590	59,586	24.04	601	3,593	905	121,686	32.03
North Dakota	100	767	143	21,381	35.52	193	1,878	390	59,717	36.48
Ohio	239	2,205	687	106,960	37.07	1,354	9,973	1,963	295,571	35.85
Oklahoma	137	1,883	466	54,589	27.88	285	3,444	794	100,536	30.14
Oregon	513	3,138	648	93,121	34.21	538	4,182	1,015	166,462	39.07
Pennsylvania	826	6,871	1,490	208,868	33.39	2,268	17,505	3,826	576,857	35.89
Puerto Rico	61	1,023	250	37,882	36.08	262	3,651	894	131,062	34.92
Rhode Island	56	548	127	18,460	34.63	138	929	222	31,260	33.50
South Carolina	154	1,015	221	29,637	31.94	224	1,548	350	50,825	34.57
South Dakota	96	728	185	23,765	30.55	106	1,086	309	41,714	32.19
Tennessee	870	4,767	1,013	137,575	32.35	536	4,535	1,023	134,594	31.34
Texas	520	5,068	1,883	172,284	31.96	1,282	10,128	2,571	371,366	34.39
Utah	258	2,666	612	104,464	40.65	168	1,749	374	58,201	37.09
Vermont	16	163	36	5,558	36.81	83	641	145	21,770	35.81
Virginia	324	2,210	417	59,923	34.20	376	2,396	472	67,631	34.11
Virgin Islands	11	10	4	455	26.76	4	8	1	201	50.25
Washington	778	9,404	2,284	336,345	35.06	1,660	11,793	2,857	444,711	37.07
West Virginia	98	909	147	13,268	21.54	493	5,361	1,183	147,500	29.68
Wisconsin	176	2,116	557	103,219	44.09	419	4,063	1,024	159,117	37.00
Wyoming	90	632	153	26,013	40.39	80	485	110	17,344	37.54

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. UCFE includes $36,298 in payments under extended duration provisions of State laws in California. UCX includes $22,679 in payments under extended duration provisions of State laws in California.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Selected Unemployment Insurance Statistics, State Programs, February 1965

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending February 28, 1965 (in thousands)		Funds available February 28, 1965 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/1100344	8/7967806	8/1932327	1689229	$37.39	101908	$245731129	$2415428	$3274630	$7181365
Alabama	12808	85812	18376	14378	26.00	1244	1471561	17196	34540	79825
Alaska	2326	22877	5046	5009	38.74	164	767694	5228	9114	10/ 11534
Arizona	8704	58260	14653	11125	37.51	795	1655115	14838	15068	65280
Arkansas	8581	83003	20509	15502	27.32	900	1658595	18943	14145	28079
California	183067	1175193	293650	259845	44.67	19230	45808688	9/519528	525560	624864
Colorado	8848	58913	14861	10805	45.18	569	1896732	12543	20513	56341
Connecticut	13152	123220	30301	28391	40.68	1785	4557340	45115	57486	176535
Delaware	2017	17354	4287	4634	37.88	266	680157	6591	10716	19746
Dist. of Col.	3668	30993	7752	6667	40.78	288	1081172	9697	9755	62806
Florida	13342	83418	20720	10837	27.87	1258	1178347	23259	46480	161459
Georgia	12762	80160	19916	15014	28.78	1721	1602414	18479	37378	175804
Hawaii	2668	21925	5761	4601	39.35	231	878144	7283	11548	19635
Idaho	4020	33916	8227	6718	39.25	527	1006285	7326	9440	27629
Illinois	51040	333037	83961	72165	40.03	4724	12635597	105868	180300	486063
Indiana	24191	145762	31756	27898	31.33	2241	3406362	31241	49841	163978
Iowa	5749	51889	13040	10682	31.34	553	1283040	9548	14192	110841
Kansas	8512	61490	15634	13260	39.44	636	2053938	15406	17836	60310
Kentucky	10886	101651	25467	19008	33.22	1024	2427140	23847	30764	111376
Louisiana	14362	97787	24466	19173	32.09	1328	2383225	24382	36533	114299
Maine	4107	41443	10142	8035	29.19	720	861254	8494	12367	29878
Maryland	15874	131070	29468	28273	35.13	1116	3652321	33100	67576	147774
Massachusetts	38977	350253	86895	80837	42.27	4506	13074536	126086	141337	189891
Michigan	37384	256158	56016	54742	37.92	3798	8151583	72981	196386	10/ 420437
Minnesota	13053	171238	41966	37653	30.44	1475	4519551	34301	27190	17690
Mississippi	8368	53435	13641	10283	24.87	513	1003010	10066	20739	50833
Missouri	24149	164060	41169	30760	34.58	1654	4034920	35344	50150	217934
Montana	4410	40726	8775	7819	31.54	441	988087	6977	5870	18910
Nebraska	4876	45295	10202	9344	35.08	422	1293100	8461	10372	41215
Nevada	4549	30597	7484	7975	39.15	491	1222150	10370	13555	28791
New Hampshire	2838	20717	5169	4434	34.47	148	582432	6122	8286	25823
New Jersey	44235	384221	93572	95544	40.83	6036	15130279	142625	142633	276511
New Mexico	5542	43340	8870	7720	30.08	278	913450	8116	7730	34435
New York	155736	1130904	277855	253932	40.45	10291	39299713	393945	459652	1139586
North Carolina	37394	170649	37728	34100	23.07	1563	3019299	32058	50934	218333
North Dakota	1915	34108	7195	6517	39.13	127	1018629	5628	5712	6737
Ohio	44845	328592	80407	68293	40.62	2347	10896561	95823	218919	231168
Oklahoma	9048	78425	18054	13500	26.85	989	1424418	14842	19041	43778
Oregon	14761	107627	25822	22988	35.83	738	3225604	25588	38081	83203
Pennsylvania	76615	523269	128577	114010	33.68	3883	14656989	156664	304223	10/3 44588
Puerto Rico	12252	101675	21174	12939	16.71	2161	9/ 9866	9/ 15992	20385	52508
Rhode Island	7856	51457	12490	11706	33.37	722	1503362	13935	22065	46239
South Carolina	8760	54867	13694	10732	28.05	1160	1175008	13838	21412	87690
South Dakota	1432	18736	4730	3881	31.64	192	473841	3084	2803	14677
Tennessee	14024	132431	32572	26606	28.17	1361	2907166	26879	42371	88087
Texas	34989	243661	53294	41093	30.09	4759	4855042	53591	63192	235655
Utah	4547	54477	13574	11593	39.47	712	1791670	12778	10935	36343
Vermont	2097	19962	4994	4444	35.60	160	607105	9/5460	5041	6364
Virginia	10089	68756	17124	13099	30.14	813	1544093	12212	25403	137328
Washington	25525	208235	49951	49197	33.01	5981	6423078	60141	59830	191205
West Virginia	8960	79097	19603	16731	25.17	645	1638340	13688	14732	58452
Wisconsin	29721	152863	38085	31278	43.82	2158	5430768	43133	48864	194550
Wyoming	1557	14504	3636	2797	40.02	64	434424	2784	6341	8468

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $324,640 in payments under extended duration provisions of State laws in two States: California $264,894 and Puerto Rico, $59,746.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

Selected Unemployment Insurance Statistics, Federal Programs[1]
February 1965

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	11029	140600	33349	$5057567	$37.84	24658	282411	52337	$7618081	$36.37
Alabama	292	2658	512	59797	29.18	455	4195	805	97907	30.42
Alaska	208	2611	669	107705	40.25	36	556	139	20018	36.07
Arizona	223	2015	513	76400	37.27	337	2465	638	98450	38.61
Arkansas	115	2001	277	32585	29.38	223	2496	544	67175	30.87
California	1700	23011	5737	1104880	47.74	3662	37746	9806	1530681	41.45
Colorado	66	1540	351	63805	45.51	302	2809	594	99067	41.68
Connecticut	53	566	130	21877	41.99	192	1290	287	41092	35.86
Delaware	15	151	29	4587	39.54	46	306	85	13511	39.62
Dist. of Col.	203	3564	1080	192205	44.50	121	885	221	34471	39.08
Florida	142	1640	221	26542	29.99	644	3929	872	111191	31.90
Georgia	184	2262	479	61190	31.94	275	2370	549	73357	33.39
Hawaii	90	1216	367	62421	42.49	103	939	237	40979	43.23
Idaho	86	2811	688	113808	41.34	185	1855	428	61903	36.14
Illinois	361	3562	879	124352	35.38	798	5390	1334	190050	35.61
Indiana	108	848	166	20833	31.47	501	3095	614	80204	32.67
Iowa	31	350	68	7966	29.29	209	1512	413	50956	31.20
Kansas	58	810	200	29325	36.70	274	2308	579	90616	39.11
Kentucky	135	2161	503	68602	35.29	431	4763	1179	166350	35.29
Louisiana	141	1601	303	39005	32.24	331	3182	702	97336	34.68
Maine	32	660	126	11020	21.87	138	1438	325	41860	32.22
Maryland	189	1523	284	40455	35.67	437	2545	559	82958	37.12
Massachusetts	502	4712	1365	244440	44.79	484	4692	1331	211766	39.78
Michigan	252	2602	600	84904	35.39	933	6223	1411	183808	32.58
Minnesota	147	1963	563	56797	25.22	499	5929	1551	214258	34.54
Mississippi	114	1725	415	43530	26.22	140	947	209	23450	28.05
Missouri	184	2058	462	59018	31.97	540	4713	1150	158637	34.49
Montana	243	3455	748	98535	32.93	149	2750	355	45871	32.33
Nebraska	68	994	232	31998	34.56	134	1103	249	32919	33.12
Nevada	74	569	137	21258	38.72	128	645	187	28862	38.53
New Hampshire	59	630	262	44021	42.04	117	676	192	31810	41.37
New Jersey	228	2480	456	78671	43.15	688	6008	1426	229770	40.29
New Mexico	298	3333	708	90762	32.04	491	2227	450	59032	32.80
New York	929	9797	1976	311368	39.39	1716	13311	2801	400583	35.76
North Carolina	273	2827	566	54242	23.98	446	3867	840	107053	31.87
North Dakota	39	1049	195	27731	35.60	134	2474	474	69315	36.54
Ohio	182	1999	701	104674	37.33	1039	9298	1873	266467	35.56
Oklahoma	86	1866	463	51568	27.83	210	3436	790	94156	29.79
Oregon	243	3197	816	113026	34.64	345	3685	893	138262	38.71
Pennsylvania	517	6373	1455	200288	34.42	1941	16444	3809	549752	36.08
Puerto Rico	49	1203	260	36729	35.38	165	3721	867	122741	35.40
Rhode Island	45	605	157	22163	35.35	150	880	224	30048	33.50
South Carolina	72	940	221	28103	31.86	193	1474	353	48256	34.22
South Dakota	39	729	197	24518	31.15	77	1170	353	45130	31.94
Tennessee	356	5390	1414	190434	33.68	405	4405	1026	130390	31.79
Texas	478	5366	1096	142709	32.55	1218	10543	2458	337847	34.37
Utah	87	2512	613	100337	40.90	109	1878	465	67160	36.11
Vermont	11	169	41	6192	37.53	54	620	152	21493	35.29
Virginia	225	2243	431	59020	34.23	340	2615	501	68737	34.32
Virgin Islands	2	43	11	1246	29.67	2	11	1	83	41.50
Washington	603	8497	2296	319146	34.75	1325	10861	2755	408647	37.09
West Virginia	60	928	208	18987	22.88	367	5220	1192	140779	29.54
Wisconsin	84	2007	520	91768	44.14	359	3869	963	141022	36.63
Wyoming	48	778	189	30024	39.82	60	642	133	19845	37.30

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. UCFE includes $9,329 in payments under extended duration provisions of State laws in California. UCX includes $4,826 in payments under extended duration provisions of State laws in California.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Income-Maintenance Program Operations

All Programs	1964		1963	
	December	November	December	November
Total Public Income-Maintenance Payments (millions)	$3,038	$2,928	$2,894	$2,791
Old-age, survivors, and disability insurance	1,379	1,360	1,305	1,292
Railroad and public employee retirement	1/452	1/449	1/418	1/416
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/431	2/354	2/439	2/360
Veterans' compensation and pension programs	332	336	329	329
Public assistance	445	428	403	394
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	19,783	19,774	19,016	18,978
Retired workers	10,669	10,659	10,264	10,248
Survivors and dependents	8,219	8,221	7,926	7,911
Disabled workers	894	893	827	819
Total monthly benefits (millions)	3/$1,325	3/$1,323	3/$1,260	3/$1,257
Retired workers	828	826	789	788
Survivors and dependents	416	416	396	395
Disabled workers	81	81	75	74
Public Assistance				
Total recipients (thousands)	8,077	7,893	7,779	7,608
Federally aided programs	7,299	7,191	6,907	6,844
Aid to families with dependent children--children	3,218	3,152	2,987	2,946
Total recipients	4,289	4,195	3,986	3,922
Old-age assistance	2,159	2,161	2,194	2,194
Other federally aided programs	851	835	727	728
General assistance: Cases	346	322	352	322
Recipients	778	702	872	764
Total payments (millions)	4/$445	4/$428	4/$403	4/$394
Federally aided programs	410	398	370	364
General assistance	24	21	24	21

Operations Under Area Redevelopment and Manpower Development and Training Acts

	Total		ARA		MDTA	
	January 1965	December 1964	January 1965	December 1964	January 1965	December 1964
Total paid trainees	51,130	50,744	4,101	3,725	47,029	47,019
Youths	9,432	8,531	NA	NA	9,432	8,531
Total net benefits	$7,703,087	$8,187,977	$163,959	$207,134	$7,539,128	$7,980,843
Training allowances	6,329,729	6,739,840	163,959	207,134	6,165,770	6,532,706
Youth allowances	(5/)	(5/)	NA	NA	(5/)	(5/)
Subsistence allowances	910,629	937,694	NA	NA	910,629	937,694
Transportation allowances	462,729	510,443	NA	NA	462,729	510,443

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	January 1965	December 1964	January 1965	December 1964	January 1965	December 1964	January 1964	December 1963
California								
State plan								
Basic benefits	45,561	44,866	270,156	305,987	$14,336,947	$16,168,376	$15,317,617	$14,323,257
Additional hospital benefits	6/25,996	6/29,782	7/189,443	7/217,225	2,273,316	2,606,700	2,505,576	2,334,912
Private plan	2,719	3,050	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New Jersey								
State plan	7,596	7,061	51,358	53,949	1,981,860	2,083,532	2,161,558	1,851,873
Private plan	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New York	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
Rhode Island	3,088	2,613	23,792	25,442	826,274	881,133	883,158	779,656
Railroad								
Sickness	12,469	11,179	9/127,660	10/128,170	3,943,680	4,478,753	4,671,102	4,807,012
Maternity	153	120	9/2,310	10/2,224	162,976	152,803	175,883	171,599

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems (revised figures also shown for November and December 1963).

2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.

3/ Current payment status; excludes lump sum and retroactive payments and adjustments for over and under payments.

4/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.

5/ Data for youth allowances are not available separately but are included in training allowances.

6/ Represents the number of payments made. 7/ Days for which additional hospital benefits were paid. 8/ Data not available.

9/ Estimated from data "benefit periods" compensated which number 63,830 for sickness and 1,155 for maternity.

10/ Estimated from data "benefit periods" compensated which number 64,085 for sickness and 1,112 for maternity.

NA--Not applicable.

Income-Maintenance Program Operations

All Programs	1965	1964		1963
	January	December	January	December
Total Public Income-Maintenance Payments (millions)	$, 3, 105	$3, 038	$3, 001	$2, 894
Old-age, survivors, and disability insurance	1, 380	1, 379	1, 312	1, 305
Railroad and public employee retirement	1/474	1/452	1/420	1/418
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/464	2/431	2/531	2/439
Veterans' compensation and pension programs	345	332	331	329
Public assistance	442	445	407	403
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	19, 868	19, 783	19, 125	19, 016
Retired workers	10, 710	10, 669	10, 327	10, 264
Survivors and dependents	8, 256	8, 219	7, 969	7, 926
Disabled workers	902	894	829	827
Total monthly benefits (millions)	3/$1, 333	3/$1, 325	3/$1, 269	3/$1, 260
Retired workers	832	828	795	789
Survivors and dependents	419	416	399	396
Disabled workers	82	81	75	75
Public Assistance				
Total recipients (thousands)	8, 194	8, 077	7, 939	7, 779
Federally aided programs	7, 388	7, 299	6, 987	6, 907
Aid to families with dependent children--children	3, 275	3, 218	3, 043	2, 987
Total recipients	4, 372	4, 289	4, 060	3, 986
Old-age assistance	2, 155	2, 159	2, 190	2, 194
Other federally aided programs	861	851	737	727
General assistance: Cases	352	346	376	352
Recipients	806	778	952	872
Total payments (millions)	4/$442	4/$445	4/$407	4/$403
Federally aided programs	410	410	373	370
General assistance	23	24	26	24

Operations Under Area Redevelopment and Manpower Development and Training Acts

	Total		ARA		MDTA	
	February 1965	January 1965	February 1965	January 1965	February 1965	January 1965
Total paid trainees	55, 049	51, 130	4, 097	4, 101	50, 952	47, 029
Youths	10, 963	9, 432	NA	NA	10, 963	9, 432
Total net benefits	$8, 132, 028	$7, 703, 087	$218, 357	$163, 959	$7, 913, 671	$7, 539, 128
Training allowances	6, 559, 465	6, 329, 729	218, 357	163, 959	6, 341, 108	6, 165, 770
Youth allowances	(5/)	(5/)	NA	NA	(5/)	(5/)
Subsistence allowances	1, 053, 774	910, 629	NA	NA	1, 053, 774	910, 629
Transportation allowances	518, 789	462, 729	NA	NA	518, 789	462, 729

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	February 1965	January 1965	February 1965	January 1965	February 1965	January 1965	February 1964	January 1964
California								
State plan								
Basic benefits	49, 192	45, 561	269, 429	270, 156	$14, 467, 396	$14, 336, 947	$13, 503, 201	$15, 317, 617
Additional hospital benefits	6/28, 726	6/25, 996	7/206, 845	7/189, 443	2, 482, 140	2, 273, 316	2, 460, 936	2, 505, 576
Private plan	2, 672	2, 719	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New Jersey								
State plan	8, 501	7, 596	50, 408	51, 358	1, 955, 838	1, 981, 860	2, 021, 889	2, 161, 558
Private plan	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New York	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
Rhode Island	3, 231	3, 088	24, 985	23, 792	873, 338	826, 274	836, 146	883, 158
Railroad								
Sickness	12, 611	12, 469	9/88, 918	10/127, 660	2, 713, 160	3, 943, 680	3, 174, 952	4, 671, 102
Maternity	88	153	9/1, 970	10/2, 310	135, 538	162, 976	161, 165	175, 883

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems (revised figure also shown for December 1963).
2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.
3/ Current payment status; excludes lump sum and retroactive payments and adjustments for over and under payments.
4/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.
5/ Data for youth allowances are not available separately but are included in training allowances.
6/ Represents the number of payments made. 7/ Days for which additional hospital benefits were paid. 8/ Data not available.
9/ Estimated from data "benefit periods" compensated which number 44, 459 for sickness and 985 for maternity.
10/ Estimated from data "benefit periods" compensated which number 63, 830 for sickness and 1, 155 for maternity.
NA--Not applicable.

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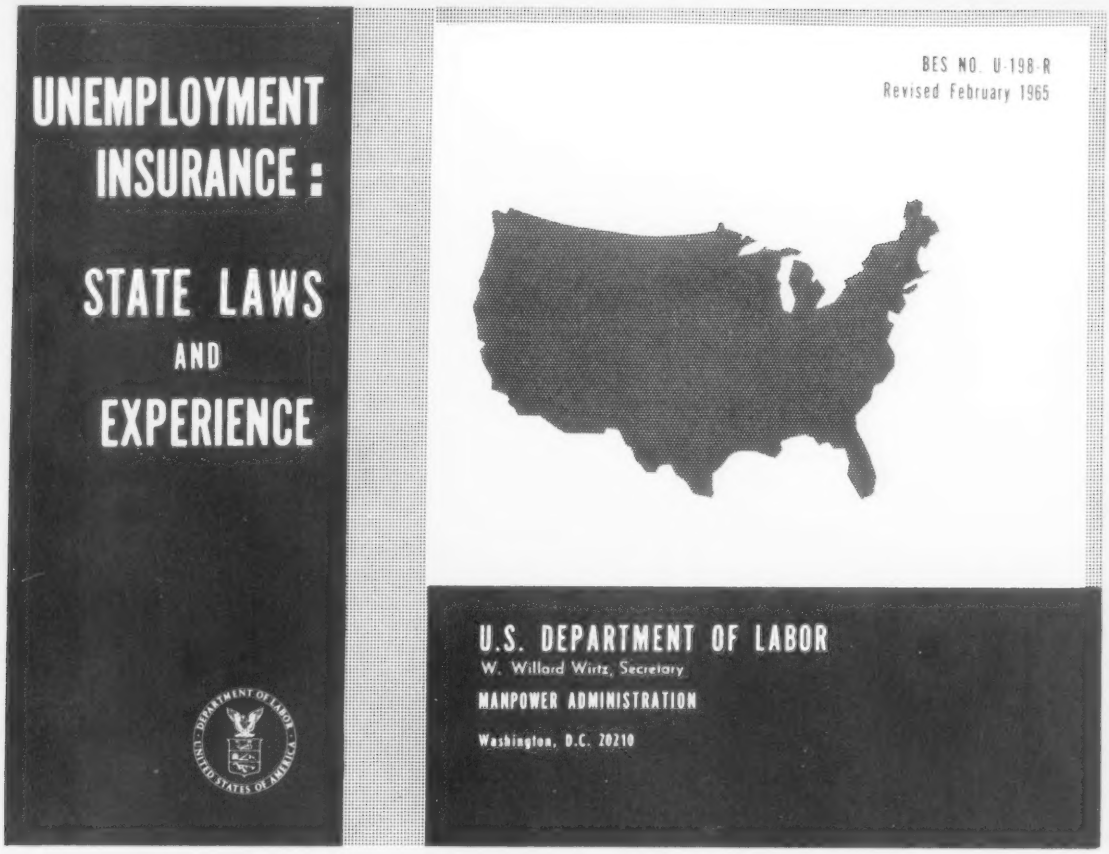

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